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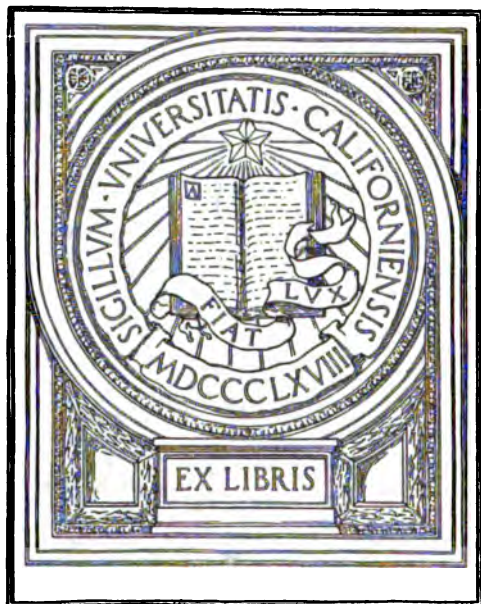
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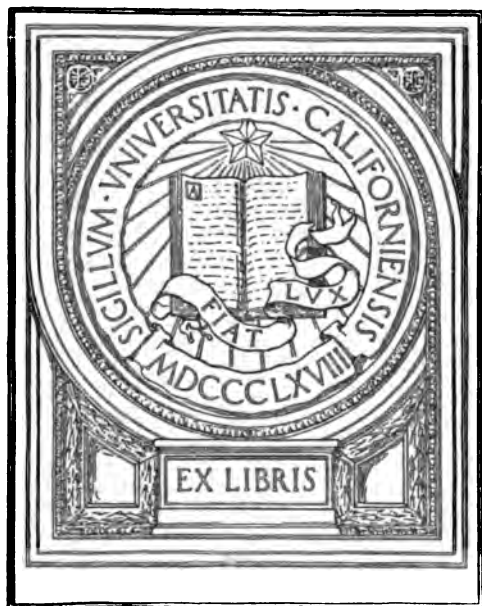


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POST-OFFICE DEPARTMENT

ANNUAL REPORTS

FOR THE

FISCAL YEAR ENDED JUNE 30, 1908

REPORT OF THE POSTMASTER-GENERAL

MISCELLANEOUS REPORTS

CITY OF
CALIFORNIA



WASHINGTON
GOVERNMENT PRINTING OFFICE
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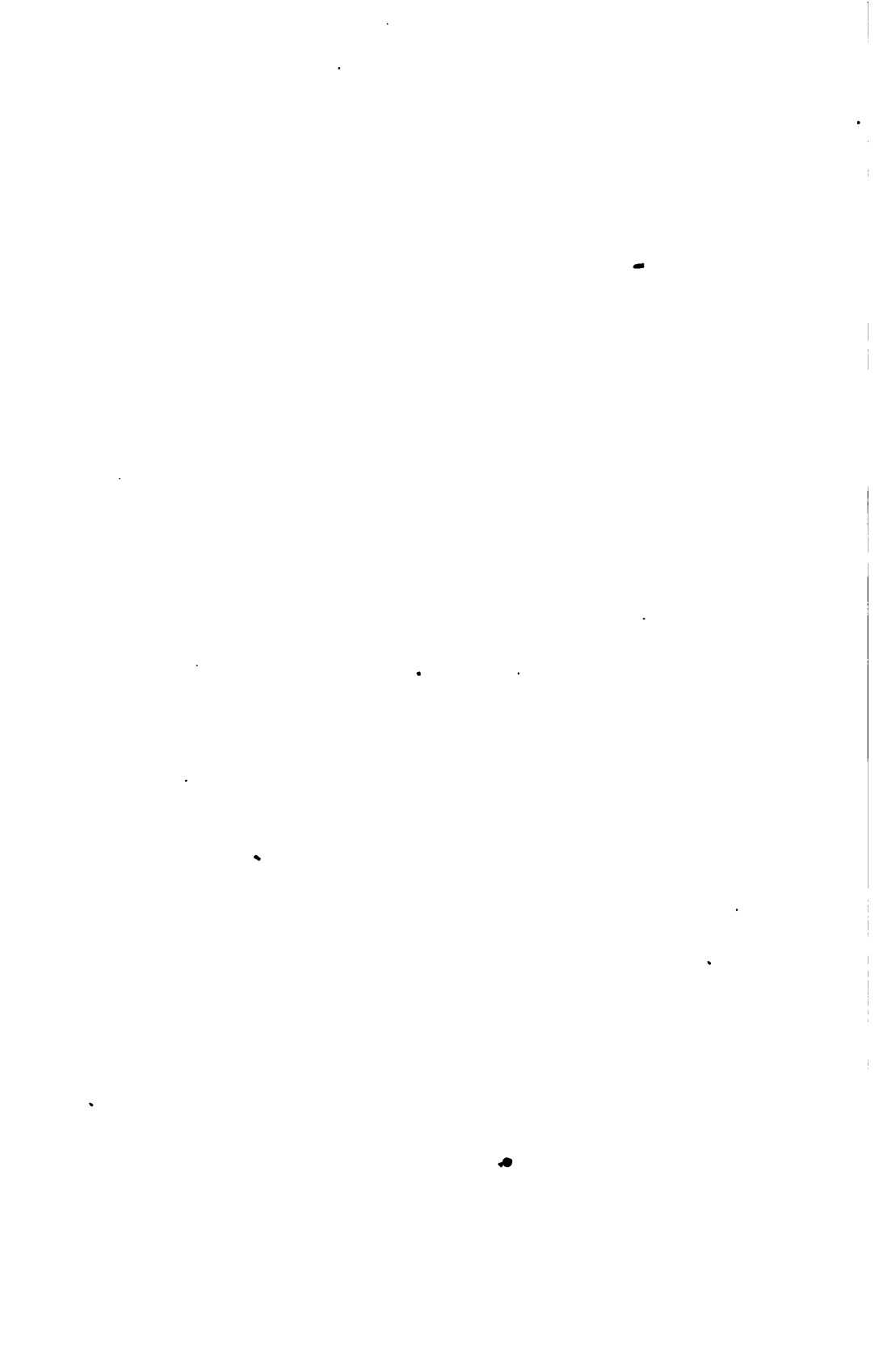
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REPORT OF THE POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
Washington, D. C., November 30, 1908.

To the PRESIDENT:

I have the honor to present the annual report of the Postmaster-General for the fiscal year ended June 30, 1908.

RECEIPTS AND EXPENDITURES.

The expenditures were \$208,351,886.15, while the receipts amounted to \$191,478,663.41, showing a deficit of \$16,873,222.74, with an additional loss from fire, burglary, etc., of \$37,056.25. The increase in receipts over the previous year was \$7,893,657.84, or 4.29 per cent. The normal increase in revenue for several years has been about 9 per cent. The falling off is accounted for by the financial disturbances of the year.

The appropriations for the present fiscal year are \$222,960,892. It is estimated that the increase in receipts will be about 8 per cent. making the probable deficit for the fiscal year ending June 30, 1909, again over \$16,000,000.

BUSINESS METHODS.

A number of improvements in business methods, the striking need of which was pointed out in my last annual report, and certain suggestions made in the preliminary report of the Joint Postal Commission appointed by Congress, have been put in force to the advantage of the department and the postal service, some of the important changes being—

The closer inspection of all supplies purchased.

The consolidation of accounts in journal form, requiring one signature instead of hundreds.

The transfer of the printing section from the Postmaster-General's Office to the Office of the Fourth Assistant Postmaster-General, Division of Supplies.

The fixing of the functions and responsibility of the different bureaus in the purchase of supplies.

Further increasing the efficiency of the Division of Supplies while decreasing the number of employees from 102 to 81.

The taking of an annual inventory of stock in the Division of Supplies.

Revision and standardization of form blanks and the elimination of unnecessary forms.

General improvement in the filing systems of the department.

The substitution of card systems for book records—a policy that will be extended.

The installation of adding machines, loose-leaf ledgers, and carbon processes whereby several circular letters to different persons are written at the same time. These improvements will also be extended.

The simplification of methods in the Division of Dead Letters, increasing the output of work without additional clerical force.

DIRECTOR OF POSTS.

I would again invite the attention of the Congress to the wisdom of establishing the position of deputy postmaster-general or director of posts, at a salary that should not be less than \$10,000 per annum, in order to command a business man of wide experience, who would hold office during good behavior, in order that this rapidly growing department, with expenditures increasing at the rate of more than \$13,000,000 a year, may have a continuity of policies for the benefit of the postal service and the people of the United States.

ECONOMIES EFFECTED IN ADMINISTRATION.

Every phase of the postal business has been closely scrutinized for the purpose of promoting efficiency and securing more rigid economy of administration. In this connection the report of the public accountants employed by the Joint Postal Commission and investigations by committees consisting of post-office inspectors and experienced postal officials have been exceedingly helpful.

It has been my policy to impress upon every officer of the department having control over an appropriation the necessity for real economy, but not for such retrenchment as would impair the efficiency of the service.

The following savings in expenditures for the periods named will be effected by economical administrative action taken during the fiscal years 1908 and 1909:

Items.	Fiscal year—		Term covered by orders.
	1908.	1909.	
Estimated saving in cost of supplies at new contract rates.		\$212,000.00	
Decrease in railroad transportation pay resulting from use of new divisor, as required by order of June 7, 1907, No. 412:			
Third contract section.....	\$1,787,378.10		\$7,149,512.40
Second contract section.....		434,730.82	1,738,923.28
Equalization of pay for railroad transportation on basis of shortest routes.....	9,270.83	1,126.55	41,589.52
Reduction in railway post-office car pay on the basis of service needs for space.....	273,040.60		811,908.18
Saving in cost of contract transportation service in Chicago, Ill., between wagon contract price and lowest Tunnel Company bid.....		154,600.00	463,800.00
Saving in cost of steamboat service, second contract section.....		37,549.41	150,197.64
Saving effected by extensions of rural-delivery routes and by absorption of routes incidental thereto.....	90,000.00		

The foregoing table does not include the reductions in cost of railroad transportation and railway post-office car service effected by the act of March 2, 1907. Such items are set forth elsewhere.

RURAL DELIVERY—A SPECIAL LOCAL PARCEL POST CONFINED ENTIRELY TO RURAL ROUTES.

The rural delivery system continues to grow, and on November 10, 1908, there were in operation 39,516 routes, with a patronage of more than 18,000,000 people. In many States practically the entire area available for rural delivery is now covered with a network of rural routes. There was, however, a great increase during the past year in the number of petitions for rural service in different parts of the country.

Rural delivery is now established on nearly 1,000,000 miles of roads throughout the country. During the current fiscal year the

rural carriers will be required to travel more than 200,000,000 miles. Thus the necessity for good roads becomes more apparent. The policy of the department in insisting that all roads covered by rural delivery shall be maintained in traversable condition throughout the seasons has resulted in greater advances toward universal good roads than ever before in the history of rural delivery. The legislatures of several of the States have enacted progressive road laws and made liberal appropriations for road building and improvement.

An evidence of the growing usefulness of rural delivery is the increased quantity of mail delivered and collected. While no exact figures are now available giving the amount of mail handled by rural carriers, it is estimated to be nearly 2,000,000,000 pieces for the last fiscal year.

The expenditure for the fiscal year ended June 30, 1897, was \$14,840, while for 1908 it was \$34,361,463. What the expenditure will be ten years from now it is startling to consider.

Should the Congress grant the department authority to utilize rural routes still further by the establishment of a limited parcel post confined entirely to rural delivery routes, it would then be possible to earn additional revenue amounting to millions of dollars, and at the same time benefit the farmer by enabling him to have merchandise delivered when ordered by telephone or postal card, which would otherwise not be purchased. Frequently consumption is reduced owing to inability to secure articles at the time they are wanted. The reason for increased consumption in the cities is that goods are accessible and are invariably delivered to the purchaser. This "rural parcel express" is to be confined entirely to rural routes, and there would be no cost to the Government for railroad transportation.

No merchant or dealer not a bona fide resident of the town in which the distributing post-office is located or on the rural route would be permitted to have goods delivered at the proposed special rate, and packages would not be accepted from any person acting as agent for a concern located outside of the delivery limits of the rural routes. The result would be to increase the business of local merchants and country stores by facilitating consumption and the delivery of goods. It is of incalculable importance that these small dealers throughout the United States should not be driven to the wall. It has been estimated that if every rural carrier delivered 55 pounds each trip an

income of \$15,000,000 would be earned in one year. Were the Post-Office Department a modern business corporation its board of directors would not hesitate forty-eight hours to utilize the present machinery and establish a limited local parcel post on rural routes. With such an additional income as has been estimated the department could well afford to increase the equipment where the business demanded it.

In my last annual report the establishment of such a system was recommended for packages originating on rural delivery routes, such packages not to exceed 11 pounds in weight or 3 feet 6 inches in length. The special rate of postage to be 5 cents for the first pound and 2 cents for each additional pound or fractional part thereof, and as follows where the weight is less than 1 pound: Two ounces or less, 1 cent; over 2 ounces and not exceeding 4 ounces, 2 cents; over 4 ounces and not exceeding 8 ounces, 3 cents; over 8 ounces and not exceeding 12 ounces, 4 cents, and over 12 ounces and not exceeding 1 pound, 5 cents.

The rural delivery routes will cost this year \$35,500,000, and the service should be thoroughly utilized, especially where it would be to the benefit of 18,000,000 patrons. The special local parcel service will enable the farmers to have small parcels delivered at their gates, to live better, and to obtain easily the necessities of life. The increased consumption will in turn increase the business of the local merchant, and benefit the jobber by the additional orders transmitted through the commercial traveler.

In order to demonstrate that this recommendation is a valuable one and to ascertain its practicability on the rural routes throughout the United States, I urge that the Postmaster-General be authorized and directed to establish experimentally a limited local parcel post, confined entirely to rural delivery routes in not to exceed four counties in the United States, for packages of fourth-class matter originating on a rural route or at its distributing post-office for delivery by rural carriers to patrons thereof at such special rates of postage and under such regulations as the Postmaster-General may deem advisable, and that no parcel shall be accepted from any person acting as representative for any person or company not a resident on such rural delivery routes or in the town from which they emanate, and that only such parcels shall be received for delivery at the special rates of postage as

are offered by bona fide merchants or dealers whose regular places of business are on such rural delivery routes, in the ordinary and regular course of their business, and in their individual capacity by residents on such routes. The result of the experiment to be reported to Congress at the beginning of the Sixty-first Congress.

POSTAL SAVINGS BANKS.

I again urgently recommend that legislation be enacted permitting the Postmaster-General to establish postal savings banks or depositories in connection with post-offices.

The deposits in savings banks of the United States as reported to the Comptroller of the Currency are as follows:

New England (6 States)	\$1, 257, 537, 896
New York	1, 378, 232, 780
New Jersey	92, 631, 487
Pennsylvania	160, 638, 670
Maryland	78, 469, 584
Ohio	53, 930, 291
Illinois	181, 361, 064
Iowa	132, 748, 558
California	254, 695, 088
<hr/>	
In 14 States (98.4 per cent)	3, 590, 245, 402
In remaining 32 States and all Territories (1.6 per cent) ..	70, 308, 543
<hr/>	
Total	3, 660, 553, 945

In certain States, such as New York and Massachusetts, where special attention has been given to the establishment of mutual savings banks and where they are conducted on a very conservative basis prescribed by law, the wage-earners and people of moderate means have availed themselves of the opportunities offered. In Massachusetts the amount is \$706,940,596.

The table also demonstrates that while the money in savings banks amounts to \$3,660,553,945, only 1.6 per cent, or \$70,308,543, is in 32 States. The 14 other States are fortunate in possessing savings-bank deposits to the amount of \$3,590,245,402, or 98.4 per cent. This is of great advantage to the latter States, as it increases their financial resources and thus aids in their development.

In the 32 States referred to there are many localities where there are no savings banks and in some cases no banks of any kind. It is there that considerable money is held in hiding, which is neither absolutely safe nor in circulation for the benefit of the community. It

has been estimated that altogether fully half a billion dollars not to-day placed in any bank, due to want of opportunity or lack of confidence, might be brought back into circulation through the agency of postal savings banks.

In Japan the total amount of deposits in postal savings banks is about \$46,000,000, an average of \$5.77 to each depositor. This money would not in all probability have found its way into the channels of trade but for the postal savings banks.

The additional opportunities for saving that can be afforded the people by postal savings banks in this country are made apparent by the fact that there are 60,624 post-offices, 40,000 of which are money-order post-offices.

There has been apprehension in some quarters that postal savings banks would enter into serious competition with established banking institutions. The foregoing figures show conclusively that the postal banks would operate principally in a territory not now covered by private enterprise.

As an evidence of the demand for postal savings banks we have reports from postmasters that they have been compelled to refuse to accept deposits offered by foreigners for safe-keeping, and also that our own people have bought postal money orders during the last year payable to themselves to the extent of \$8,104,447, on which amount fees of \$25,000 were paid. These money orders were bought to the greatest extent in the States of Arkansas, Colorado, Kansas, Missouri, Montana, Nebraska, Nevada, Oklahoma, Ohio, Oregon, Texas, and Washington.

A post-office inspector has reported that one family residing near a small post-office in the State of Washington has \$11,000 on deposit in the postal banks of British Columbia.

Under the bill now before the Senate with a favorable report from the Committee on Post-Offices and Post-Roads, the money would be widely distributed, as it would be placed in the national banks in the districts where the deposits were first brought to the post-offices. The Government would not go into the banking business. The national banks are to pay not less than $2\frac{1}{4}$ per cent for the deposits, the Government in turn to pay the depositors 2 per cent, retaining one-fourth of 1 per cent in order that the system may be self-sustaining. No interest would be paid by the Government on deposits over \$500.

The deposits would be guaranteed by the Government, as it would make itself responsible by receiving them.

Postal savings banks would foster thrift and increase the habit of saving in many States and localities where opportunities for depositing savings do not now exist, and would in the end serve as feeders to the regular stock and mutual savings banks, where greater returns would be received. Thus they would be a real benefit not only to the people, but also to existing financial institutions. Practically all the leading nations, with the exception of the United States, have postal savings banks in successful operation. No one can justly say they are not needed in the United States, with its vast sections unequipped with facilities for the deposit of savings. With the experience of Canada in mind no one can justly say they can not be managed successfully in the United States.

I append a tabulation of postal savings statistics, which shows beyond question the steady and continuous increase in both the number of depositors and the amount of deposits which has invariably followed the establishment of the system in other countries. With such data as are here collated it is impossible to draw conclusions adverse to the propositions that postal savings banks are uniformly popular wherever introduced and constitute a peculiar and important adjunct to the financial policy of a nation.

Postal savings statistics.

Country, year of establishment, etc.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.
EUROPE.												
Austria, 1883:												
Deposits	\$44,434,421	\$48,019,788		\$39,987,683	\$36,568,500	\$32,870,084	\$30,355,244	\$28,599,080	\$26,612,972	\$24,076,951		
Number of accounts	2,064,403	2,004,487		1,798,018	1,694,702	1,610,580	1,547,541	1,484,607	1,415,848	1,318,626		
Average holding	\$21.52	\$21.46		\$22.39	\$21.58	\$20.40	\$19.62	\$19.26	\$18.80	\$18.26		
Belgium, 1869:												
Deposits	\$162,840,157	\$156,733,934		\$147,452,000	\$141,851,419	\$140,986,500	\$141,912,900	\$127,669,500	\$117,421,200	\$109,006,400		
Number of accounts	2,525,207	2,419,710		2,205,000	2,088,448	1,978,000	1,863,000	1,788,000	1,648,000	1,515,000		
Average holding	\$64.41	\$64.77		\$66.87	\$67.92	\$71.46	\$76.17	\$70.98	\$71.47	\$71.95		
Finland, 1887:												
Deposits	(a)	\$1,213,973		\$1,034,184	\$981,280	\$835,367	\$789,014	\$720,013	\$589,722	\$509,636		
Number of accounts	(a)	57,555		58,462	53,303	47,451	42,965	40,188	35,847	30,208		
Average holding	(a)	\$21.09		\$18.32	\$18.34	\$17.60	\$18.86	\$17.92	\$16.68	\$16.87		
France, 1882:												
Deposits	(a)	\$258,874,735		\$229,158,231	\$215,706,959	\$213,603,320	\$208,515,240	\$194,980,796	\$179,384,676	\$168,879,128		
Number of accounts	(a)	4,794,874		4,345,446	4,143,888	3,991,412	3,805,881	3,564,464	3,318,461	3,010,198		
Average holding	(a)	\$53.89		\$52.74	\$52.07	\$53.51	\$54.78	\$54.70	\$54.08	\$56.10		
Hungary, 1886:												
Deposits	\$18,044,220	\$15,963,793		\$12,457,866	\$10,713,306	\$10,309,416	\$7,679,625	\$6,682,944	\$5,983,623	\$5,398,784		
Number of accounts	648,632	607,456		525,818	484,834	446,685	416,328	389,083	364,775	337,936		
Average holding	\$27.82	\$26.28		\$23.69	\$22.10	\$23.08	\$18.21	\$17.05	\$16.40	\$16.89		
Italy, 1876:												
Deposits	\$273,702,695	\$233,735,421		\$191,278,656	\$167,785,138	\$156,248,204	\$138,913,421	\$131,652,255	\$121,801,196	\$110,072,689		
Number of accounts	4,904,711	4,689,669		5,402,497	4,931,971	4,854,519	4,318,612	3,990,983	3,683,063	3,302,064		
Average holding	\$55.80	\$49.84		\$35.96	\$33.87	\$32.19	\$32.16	\$32.99	\$33.39	\$33.83		
Netherlands, 1881:												
Deposits	\$58,489,392	\$56,133,000		\$48,414,706	\$44,028,527	\$40,889,011	\$37,696,208	\$34,048,200	\$31,494,544	\$28,144,884		
Number of accounts	1,336,846	1,259,681		1,111,590	1,085,527	966,433	896,761	828,131	764,201	693,228		
Average holding	\$43.75	\$44.58		\$43.55	\$42.52	\$42.26	\$42.08	\$41.06	\$41.21	\$40.60		

a No report available.

Postal savings statistics—Continued.

Country, year of establishment, etc.	1907.	1906.	1905.	1904.	1903.	1902.	1901.	1900.	1899.	1898.
EUROPE—continued.										
Bosnia, 1899:										
Deposits	\$180,721,335	\$99,649,925	\$98,613,475	\$89,647,684	\$88,428,880	\$77,043,466	\$67,441,000	\$69,214,720	\$52,063,765	\$42,800,963
Number of accounts	(b)	1,498,482	1,413,448	1,469,910	1,337,680	1,163,310	1,018,735	897,618	767,770	633,470
Average holding	(b)	\$66.96	\$62.69	\$60.99	\$65.86	\$66.23	\$66.20	\$65.97	\$68.63	\$65.47
Sweden, 1884:										
Deposits	(b)	\$14,498,185	\$14,648,559	\$14,849,881	\$14,601,238	\$14,449,564	\$14,532,662	\$15,131,653	\$16,062,354	\$17,161,004
Number of accounts	(b)	569,155	567,032	570,208	570,686	577,627	578,900	566,905	556,644	536,305
Average holding	(b)	\$25.47	\$25.83	\$26.04	\$25.59	\$25.01	\$25.32	\$26.70	\$28.86	\$32.06
United Kingdom, 1861:										
Deposits	\$766,474,125	\$750,156,704	\$740,248,862	\$721,898,468	\$711,166,692	\$708,720,660	\$688,222,126	\$659,652,347	\$633,222,191	\$599,280,758
Number of accounts	10,692,555	10,332,784	9,963,049	9,673,717	9,408,562	9,133,161	8,787,675	8,439,983	8,046,680	7,630,502
Average holding	\$71.68	\$73.47	\$74.30	\$74.62	\$75.62	\$77.06	\$77.75	\$78.16	\$78.69	\$78.53
NORTH AND SOUTH AMERICA.										
Bahamas, 1885:										
Deposits	(b)	\$122,621	\$114,027	\$96,299	\$98,933	\$90,823	\$79,976	\$74,156	\$63,600	\$50,689
Number of accounts	(b)	1,971	1,864	1,700	1,610	1,480	1,421	1,350	1,240	1,107
Average holding	(b)	\$62.21	\$61.17	\$56.65	\$68.34	\$64.61	\$66.28	\$54.98	\$61.29	\$46.79
Canada, 1868:										
Deposits	\$47,452,367	\$46,736,499	\$46,368,821	\$46,419,706	\$44,255,326	\$42,320,209	\$39,950,813	\$37,507,456	\$34,771,605	\$34,480,938
Number of accounts	167,285	164,542	165,618	168,572	167,023	162,761	157,968	150,967	142,141	142,289
Average holding	\$283.67	\$277.96	\$276.10	\$269.44	\$264.96	\$260.01	\$253.87	\$248.81	\$244.62	\$242.47
British Guiana, 1869:										
Deposits	(b)	\$369,622	\$324,076	\$266,996	\$263,506	\$261,847	\$238,827	\$225,699	\$212,252	\$210,698
Number of accounts	(b)	11,192	9,966	9,158	9,189	8,678	8,262	8,263	7,863	7,265
Average holding	(b)	\$33.01	\$32.62	\$29.15	\$28.68	\$30.17	\$28.84	\$27.81	\$27.08	\$28.15
Dutch Guiana, 1904:										
Deposits	(b)	\$261,405	\$230,222	\$205,876						
Number of accounts	(b)	6,525	5,766	4,967						
Average holding	(b)	\$40.06	\$39.80	\$41.45						

ASIA.

British India, 1882:

Deposits.....	\$47,902,582	\$45,396,741	\$43,496,821	\$40,014,543	\$37,056,287	\$34,656,365	\$32,588,673	\$31,296,257	\$30,010,220	\$34,249,529
Number of accounts.....	1,190,220	1,115,758	1,058,813	987,635	922,363	866,693	816,651	785,729	763,559	756,426
Average holding.....	\$40.25	\$38.98	\$41.08	\$40.52	\$40.17	\$39.99	\$39.90	\$39.83	\$44.08	\$46.34

Ceylon, 1885:

Deposits.....	\$696,890	\$615,717	\$567,147	\$518,318	\$472,004	\$426,782	\$407,907	\$378,967	\$355,984
Number of accounts.....	71,018	66,949	63,850	60,884	58,121	57,007	54,426	51,887	48,133
Average holding.....	\$9.67	\$9.20	\$8.88	\$9.01	\$8.92	\$8.28	\$7.84	\$7.86	\$7.72

Straits Settlements, 1876:

Deposits.....	\$339,855	\$330,840	\$317,208	\$320,420	\$331,482	\$223,966	\$227,169	\$211,493	\$204,044	\$191,641
Number of accounts.....	(b)	8,571	8,310	3,109	3,078	2,961	2,745	2,504	2,404	2,244
Average holding.....	(b)	\$92.65	\$95.83	\$103.06	\$107.69	\$75.90	\$82.76	\$84.46	\$84.88	\$85.45

Dutch East Indies, 1898:

Deposits.....	\$2,845,860	\$2,841,535	\$2,649,050	\$2,379,437	\$1,920,370	\$1,576,290	\$1,367,540	\$1,140,871	\$836,710	\$308,200
Number of accounts.....	56,464	49,566	46,478	38,424	33,550	30,058	26,535	23,327	17,010	6,114
Average holding.....	\$50.40	\$57.33	\$56.87	\$61.83	\$57.24	\$52.44	\$51.54	\$51.10	\$49.19	\$50.41

Formosa, 1875:

Deposits.....	\$685,657	\$552,408	\$430,972	\$441,340	\$451,709	\$380,230	\$316,060	\$221,323	\$278,371	\$241,935
Number of accounts.....	61,586	63,332	56,833	53,835	50,836	41,146	33,866	27,689	22,520	14,697
Average holding.....	\$9.98	\$8.72	\$7.58	\$8.20	\$8.89	\$9.24	\$9.31	\$11.61	\$12.36	\$16.46

Japan, 1875:

Deposits.....	\$46,275,300	\$33,713,037	\$27,015,880	\$20,523,387	\$15,798,663	\$15,167,047	\$13,544,007	\$11,984,688	\$11,638,747	\$10,940,327
Number of accounts.....	8,013,193	6,658,758	5,848,498	4,907,561	3,501,353	2,906,899	2,363,335	1,979,640	1,396,147	1,239,657
Average holding.....	\$5.77	\$5.06	\$4.62	\$4.19	\$4.50	\$5.30	\$5.73	\$6.08	\$8.35	\$8.91

The Philippines, 1906:

Deposits.....	\$255,060	(b)								
Number of accounts.....	2,676	(b)								
Average holding.....	\$111.77	(b)								

^a June 30, 1908.

^b No report available.

^c Extract from an official report entitled "Post-Office Savings Bank of Sweden in 1899":

"Whereas in each of the fifteen previous financial years the amount of deposits exceeded that of the withdrawals, in 1899, on the contrary, the latter exceeded the former by not less than 6,132,286 crowns (a crown being equal to 26.8 cents). This unfavorable result is due on the one hand to the fact that the rate of interest granted by private banks has been considerably increased during the year under review, and on the other hand to the fact that private banks now also accept small deposits on terms much more advantageous than those of the post-office savings bank, as they allow depositors to withdraw higher sums without giving notice in advance. Accordingly a number of depositors who had invested their savings in the post-office savings bank when the rate of interest was higher than in private banks withdrew their capital to invest in the latter banks."

^c First year.

REPORT OF THE POSTMASTER-GENERAL.

Postal savings statistics—Continued.

Country, year of establishment, etc.	1907.	1908.	1909.	1904.	1903.	1902.	1901.	1900.	1899.	1898.
AFRICA.										
Cape Colony, 1884:										
Deposits.....	\$10,722,984	\$11,052,566	\$11,032,093	\$11,911,791	\$12,401,837	\$13,266,439	\$12,216,628	\$9,903,813	\$8,440,252	\$8,452,001
Number of accounts.....	101,553	100,699	98,928	99,421	96,590	92,413	82,753	70,812	62,356	58,958
Average holding.....	\$106.59	\$109.75	\$112.20	\$119.81	\$129.74	\$143.56	\$147.65	\$139.85	\$135.36	\$143.37
Egypt, 1901:										
Deposits.....	\$1,928,749	\$1,581,613	\$1,168,624	\$689,147	\$686,707	\$425,541	\$233,466			
Number of accounts.....	74,178	59,084	31,411	29,151	20,199	13,295	6,740			
Average holding.....	\$26.00	\$26.77	\$37.20	\$20.50	\$31.52	\$32.01	\$34.64			
Gold Coast, 1898:										
Deposits.....	(a)	\$62,369	\$43,774	\$84,095	\$28,172	\$25,890	\$21,711	\$21,685	\$24,187	\$24,371
Number of accounts.....	(a)	890	648	405	615	431	341	271	458	469
Average holding.....	(a)	\$70.08	\$67.55	\$84.19	\$45.81	\$60.07	\$63.67	\$80.02	\$52.81	\$51.96
Orange River Colony, 1897:										
Deposits.....	(a)	\$771,340	\$328,439	\$764,916	\$547,861	\$327,842	(a)	(a)	\$33,506	\$96,865
Number of accounts.....	(a)	6,120	6,645	4,931	3,721	2,272	(a)	(a)	904	1,231
Average holding.....	(a)	\$126.04	\$146.76	\$155.12	\$147.23	\$144.29	(a)	(a)	\$37.06	\$77.88
Sierra Leone, 1896:										
Deposits.....	(a)	\$384,840	\$302,061	\$302,268	\$280,388	\$240,026	\$238,094	\$238,079	\$232,765	\$210,739
Number of accounts.....	(a)	4,991	5,623	5,368	5,307	4,570	4,116	3,950	3,581	4,562
Average holding.....	(a)	\$67.09	\$53.90	\$56.31	\$52.83	\$52.52	\$57.84	\$60.27	\$65.00	\$46.19
Transvaal, 1893:										
Deposits.....	\$6,548,844	\$6,268,769	\$5,224,635	\$4,363,484	\$3,248,859	\$720,651	\$537,539	\$288,783	\$345,312	\$1,614,267
Number of accounts.....	51,022	47,092	40,844	35,069	27,940	12,020	11,515	9,672	9,945	12,544
Average holding.....	\$128.35	\$133.01	\$127.94	\$124.46	\$118.07	\$59.95	\$46.68	\$29.86	\$34.72	\$128.69

AUSTRALASIA.

New South Wales, 1871:

(a)	\$43,282,288	\$88,702,715	\$36,377,870	\$84,155,165	\$84,552,676	\$29,349,032	\$29,421,019	\$26,692,928	\$24,450,365
(a)	270,962	254,331	243,794	237,389	230,755	216,947	198,014	179,556	163,552
(a)	\$159.54	\$152.17	\$140.21	\$143.83	\$149.74	\$149.11	\$148.56	\$148.09	\$149.55
Deposits.....									
Number of accounts.....									
Average holding.....									
mania, 1882:									

Tasmania, 1882:

(a)	\$2,336,173	\$2,216,107	\$2,007,971	\$1,952,698	\$1,840,690	\$1,623,348	\$1,432,226	\$1,208,717	\$909,928
(a)	17,813	17,045	16,665	16,159	15,736	14,881	14,008	12,710	10,607
(a)	\$131.15	\$130.02	\$120.49	\$120.84	\$116.99	\$109.09	\$102.24	\$95.10	\$85.79

Western Australia, 1863:

(a)	\$11,271,598	\$10,741,806	\$10,121,167	\$9,677,644	\$9,198,218	\$7,875,744	\$6,322,294	\$5,431,890	\$5,217,270
(a)	63,574	59,704	54,873	48,008	45,108	39,318	33,646	29,371	29,791
(a)	\$177.90	\$179.74	\$184.45	\$201.58	\$203.80	\$200.31	\$197.91	\$184.94	\$175.13

New Zealand, 1867:

Deposits.....	\$56,077,799	\$48,437,564	\$42,153,735	\$37,770,766	\$35,937,021	\$33,499,950	\$30,902,343	\$28,272,185	\$25,891,585	\$24,126,983
Number of accounts.....	819,733	298,746	276,065	259,164	243,675	227,465	212,436	197,408	183,046	169,968
Average holding	\$75.39	\$162.14	\$152.69	\$145.75	\$146.56	\$147.28	\$145.47	\$143.22	\$141.45	\$141.95

No report available.

CHANGES IN DESIGNS OF POSTAGE STAMPS.

The issue of postage stamps, known as the series of 1902, has been regarded as unsatisfactory on account of the redundancy of inscription and unnecessary elaboration.

The subject was discussed with the Director of the Bureau of Engraving and Printing and it was demonstrated that a new design would be advantageous, not only for the reasons above stated, but for the additional and important reason that it was desired by the bureau to simplify the design and engrave it in such manner as to give longer life to the plates and thus reduce very materially the cost of production of the stamps.

Following suggestions from this department the Bureau of Engraving and Printing has prepared drawings embodying the portrait of Franklin on the one-cent stamps and the portrait of Washington on the stamps of all other denominations. In each case the design comprises the portrait in an ellipse, the only decoration being a spray of laurel leaves, and the inscription "U. S. Postage" in a straight line at the top, with the denominations expressed in a parallel line at the bottom.

The portrait of Franklin on the one-cent stamps is from the Houdon bust now in the possession of the American Philosophical Society of Philadelphia, and that of Washington is from the bust at Mount Vernon by the same artist.

The new design is classical, simple, and dignified. Aside from the one-cent denomination, the only difference will be in the indication of the value of the stamps and in the colors. In the determination of the colors care will be observed to select those which will be at once distinctive and readily indicative of the value of the stamp, and every effort will be made to insure the permanency of the ink in order that the color may not vary.

The colors of the one-cent and two-cent stamps will be the same as heretofore, except that the green of the one-cent stamp has been lightened, to give a brighter effect. Equally distinctive and permanent colors will be selected for the other denominations, maintaining, as far as practicable, the same colors as at present, but making such changes as may be necessary to insure greater beauty and permanency.

The \$2 and \$5 stamps will be discontinued after the present supply is exhausted, as it is believed that, in view of the small quantity of these stamps used, the \$1 stamp will be equally as serviceable for all purposes for which the two higher denominations are now used.

NEW TEN-CENT SPECIAL-DELIVERY STAMP.

A new special-delivery stamp has also been designed, and will be placed on sale about January 1 next. During the last Congress an act was passed providing that when there was attached to any letter or package of mail matter 10 cents' worth of stamps of any denomination, with the words "Special delivery" written or printed on the envelope or covering, in addition to the postage required for ordinary delivery, the article should be handled as though it bore the regular special-delivery stamp. This was meant merely as a convenience to the public whenever it was impossible to obtain the ten-cent special-delivery stamp. The issuing of a new stamp will call the attention of the public to the fact that the department is opposed to discontinuing its use, as such a stamp is advantageous to postal employees in expediting the delivery of mail, in that it insures the instant recognition of special-delivery mail.

AUTOMATIC STAMP-VENDING MACHINES.

In the last annual report mention was made of the fact that the department was undertaking to demonstrate by careful experiments the advisability of adopting automatic stamp-vending machines for the sale of stamps and postal cards. Their adoption in post-office lobbies will afford an all-night service to the public, with no expenditure for clerk hire, and their use in post-office stations, hotels, railway stations, news stands, department stores, and drug stores will add immeasurably to public convenience.

Twenty-five machines were submitted to a committee of this department for test during the year, and 6 were found to possess sufficient merit to warrant practical trials under actual selling conditions in post-offices. The machines tested were not mechanically perfect, but the owners assert that the defects will be corrected.

I have every expectation that satisfactory machines will result from the work now going on, but this department is not yet prepared to accept any make for its own use.

REPORT OF THE POSTMASTER-GENERAL.

As a direct result of the department's action much interest has been aroused, and there are to-day in private use a number of American stamp-vending machines.

INSTRUCTION OF SCHOOL CHILDREN IN POSTAL MATTERS.

On September 18, 1908, the following order was issued:

Postmasters are hereby directed to confer with their local school authorities with the view of adopting the most effective method of instructing school children as to the organization and operations of the postal service. These instructions should cover such features of the service as the delivery of the mails, the classification of mail matter, the registry and money-order systems, and particularly the proper addressing of letters and the importance of placing return cards on envelopes. Postmasters should arrange, if possible, to deliver personal talks to the pupils on these subjects and should give teachers access to the Postal Guide and the Postal Laws and Regulations and render them every assistance in securing necessary information.

Numerous reasons presented themselves showing the necessity for a systematic education of the public in the ordinary operations and requirements of the postal service. The thousands of pieces of mail matter received daily in the Division of Dead Letters present a most vivid illustration of the necessity for having the name and address of the sender appear on an envelope.

Many letters from postmasters and school boards all over the country indicate the liveliest interest in the subject, and I believe this campaign of education will be beneficial to the department and the public.

STANDARDIZATION OF FORMS.

A committee appointed by the Postmaster-General has been at work for several months in standardizing the form blanks used in the department and the postal service, and new forms have been approved already for the department and the railway mail service, resulting in various economies as well as greater uniformity.

The committee is now engaged on the standardization of the post-office forms, of which there are many thousands. Considerable saving in the cost of printing will ultimately be effected and more systematic methods introduced in certain lines of work throughout the service.

TYING DEVICES.

A thorough investigation was made during the year by a committee appointed to report on the feasibility of adopting a substitute for twine in tying up packages of letters in the mails. A large number of devices were submitted and tests were made for several months in post-offices and the railway mail service. While the committee found practical tying devices, it was deemed inadvisable to make a change in view of the very material reduction in the price of twine.

NAMES OF BRANCH POST-OFFICES.

On account of many complaints made to the department that the importance of certain towns and cities was minimized by showing them in the Official Postal Guide as stations of other post-offices, an order was issued on May 20, 1908, directing that postal stations outside the corporate limits of the city or town containing the post-office to which they are attached shall be known as branch post-offices. The names of these branch offices are now entered independently in the list of post-offices in the Postal Guide. To further enable such places to retain their individuality the postmarking stamps have been changed by omitting the name of the main post-office. Formerly the postmarking stamp contained the name of the post-office, followed by the name of the branch or station; as, for instance, "Boston, Mass., Cambridge Station." Now the stamp for that branch office reads: "Cambridge, Mass."

SIGNS FOR POST-OFFICES.

During the year the department has been endeavoring to have a universal display of signs on post-offices, indicating the names of the offices, for the benefit of the traveling public. While the country post-office usually has a sign reading "Post-office," its name is rarely shown. Last April an order was issued directing the attention of postmasters to the desirability of erecting such signs. This order was in the form of a suggestion, as there is no appropriation to cover the expense involved, except at post-offices of the first and second classes. At the smaller offices the postmasters are required to furnish the equipment themselves, and it will take some little time to bring about a general compliance with this request. Post-office inspectors have been instructed to urge the erection of these signs at all post-offices they visit.

NEW OFFICIAL POSTAL GUIDE.

Beginning with the present fiscal year, the annual Postal Guide will be issued on the 1st of July each year instead of the 1st of January. This enables the department to include in it all changes authorized by the appropriation acts that become effective on the beginning of the fiscal year.

The Guide has been so changed as to improve materially its appearance and arrangement.

APPOINTMENT OF POSTMASTERS.

During the year 14,119 postmasters were appointed, 2,174 of whom were of the presidential class. A marked improvement in the efficiency of the service has been noted, due to the policy of retaining postmasters of all grades whose records have been satisfactory. As heretofore suggested, it is believed that the appointment of postmasters at offices of the second and third classes should be vested in the Postmaster-General, as is now the practice in the case of postmasters at offices of the fourth class. This would reserve to the President the appointment of postmasters at the more important offices, those of the first class, and would relieve him of a vast amount of routine work that is a tax upon his time.

READJUSTMENT OF POSTMASTERS' SALARIES.

Under the present law the salaries of presidential postmasters are readjusted annually on the basis of the gross receipts for the four quarters ending March 31, all changes to take effect at the beginning of the next fiscal year. As was stated in the last annual report, the intervening period is not sufficient, now that the number of presidential post-offices has increased so largely, to permit of this work being done with that degree of accuracy and deliberation that its importance demands, and the recommendation is accordingly renewed that the salaries be fixed on the basis of the gross receipts for the calendar year, thus allowing six months within which to complete the readjustment.

QUARTERS FOR POST-OFFICES.

An appropriation of more than \$18,000,000 was made last year for the purchase of sites and the erection of public buildings exclusively for post-office purposes in 400 cities and towns, and yet the selection of the sites and the erection of the buildings are matters entirely within the jurisdiction of the Secretary of the Treasury.

Even the equipment of post-office buildings is controlled by the Treasury Department. The need for giving the Post-Office Department a voice in the selection of sites is apparent. Unquestionably the entire interior equipment of government buildings used entirely for post-offices should be controlled by the Post-Office Department. Not too strongly can I emphasize the need for a change in the present laws in this respect.

Attention is again called to the desirability of locating post-offices in the large cities in the immediate vicinity of the union railway stations, where the mails are received and dispatched, and to the fact that such buildings should be constructed for the sole use of the post-office and planned for that purpose alone. At St. Louis a site has been acquired and a plan for a new post-office building adjoining the Union Station has been approved. The building is to be used wholly for post-office purposes, and therefore it will be feasible to arrange the interior equipment and mechanical means for conveying the mails so that the maximum amount of work can be done with the minimum number of men, and the expense of transporting the mails to and from the station will be saved and the delivery of the mails expedited.

An appropriation of \$500,000 was made by the last Congress for the acquisition of a site for a new post-office building at Washington, D. C. A site adjoining the Union Station has been purchased at a cost of \$450,000. It is important that an additional appropriation be made as soon as possible for the erection of a building in order that the postal service may gain the benefit of the new location at an early date. An appropriation for the purchase of a new site for post-office quarters in Chicago was made at the last session of the Congress, and it is hoped that it will be feasible to secure a suitable location near the principal railroad stations, where most of the mail is received and dispatched. Bids have already been submitted for a number of sites in the vicinity of the railroad stations. They are now under consideration by the Treasury Department, and it is expected that an early decision will be reached.

EQUIPMENT OF THE SMALLER POST-OFFICES.

The postmasters at offices of the fourth class are not appointed for a fixed term; the compensation is very small, and naturally they usually buy the cheapest fixtures and the smallest amount of neces-

sary furniture. As stated in the last annual report, the adoption of the policy of providing all furniture and other equipment at government expense would not merely relieve postmasters at the smaller places of a burden for which they are not properly compensated, but would tend to increase the efficiency and dignity of the service in such places.

POSTAL STATIONS.

By the act of June 9, 1896, the department is prohibited from establishing postal stations more than five miles beyond the corporate limits of a city, although no such restriction exists with reference to the extension of the free-delivery service. This condition should not exist. The department should not be placed in the position of being able to deliver mail from door to door and at the same time of being forbidden to supply the district so served with the other usual postal conveniences. Instances could be cited in which this provision has worked a decided hardship on many growing communities located immediately adjacent to large cities. This provision of law is regarded as exceedingly detrimental to the best interests of the service, and it is recommended that the Congress repeal so much of the act of June 9, 1896, as imposes this limitation on the establishment of stations.

POSTAL SITUATION IN NEW YORK CITY.

The maintenance of a suitable postal service in New York City becomes more difficult each year and requires increased expenditures. The necessity for relief of the congested condition of the central post-office and the requirements of proper post-office and transportation facilities, in connection with the existing and proposed new uptown railroad terminals, have been given special consideration.

The erection of the new post-office building, for the continuance of which the Congress appropriated \$100,000 at its last session, on Eighth avenue, between Thirty-first and Thirty-third streets, adjoining the Pennsylvania Tunnel and Terminal Railroad Company's station now building, is progressing in connection with the construction of the railroad tracks and platforms which are to be located beneath the post-office. The assignment of space in the Terminal Railroad Company's station for the use of the department for transporta-

tion and post-office facilities in connection with the new post-office has been arranged with the company. The Pennsylvania Railroad Company is to occupy the new terminal property in October, 1909, after which date the present Jersey City terminal of that company will be discontinued for passenger traffic, and the handling of mails between the New York post-office and the Pennsylvania Railroad lines will present a difficult problem. For this reason alone it is very desirable that the new post-office should be constructed as soon as possible. It is estimated that two years' work will be required to complete the structure after the contracts are awarded. An appropriation for this building should therefore be made by the Congress at the earliest practicable date.

For the purpose of adequately providing for a postal station in the terminal building of the New York Central and Hudson River Railroad Company, the department has accepted a proposal to lease for a term of twenty-five years from January 1, 1909, an area of 60,352 square feet in the Grand Central Railroad Station, with an additional area of 44,143 square feet to be available in 1912. This lease was made in accordance with authority granted by the Congress appropriating \$90,000 for the purpose. The rental will be at the rate of \$55,480.29 per annum, and the heating, lighting and other charges will add about \$30,000 additional to the cost of maintaining the station. It is estimated that the total cost of maintenance, including the rental, when the additional space becomes available, will be \$140,000 per annum. These quarters will be directly above the tracks of the New York Central Railroad, and elevators and chutes will connect the working floor of the station with the railroad platforms below. The terminal building is now under construction, and when the quarters for the postal station are ready for occupancy the leased building on Madison avenue and Forty-third street, now used by Station H, will be vacated, and the work of the station transferred to the railroad terminal.

In order to relieve the congested condition in the workroom of the New York post-office, the department leased an area of 35,545 square feet in the terminal of the Hudson and Manhattan Railroad Company on Church street, between Cortlandt and Dey streets, and in July last the entire mailing division of the New York post-office was moved to these new quarters, to which the designation

"Hudson Terminal Station" was given. Wagon service on ten and fifteen minute schedules was established and pneumatic-tube service extended between the general post-office and the new station for the purpose of affording it all necessary transportation facilities. The station itself has been equipped with elevators, chutes, and conveyors for expediting the handling of mails. The lease is for a term of five years from July 1, 1908, at an annual rental of \$75,000. This provides for the mailing division and gives space in the general post-office for the work of the city division.

The installation of pneumatic-tube service for the further connection of postal stations and uptown railroad terminals with the general office has been materially advanced. Since my last report not only has the new Hudson Terminal Station been connected with the general office, but the service has been extended to the west side stations, as far north as Station L, at One hundred and twenty-fifth street and Lexington avenue, excepting Station I, at One hundred and fifth street and Columbus avenue. Service has also been extended from Station L east to Station J, Eighth avenue and West One hundred and twenty-fourth street. Additional space has been secured in the stations newly connected to permit of the installation of the terminal and power machinery. The increased annual rentals for this purpose approximate \$8,640. The general contract provides further for the connection of all the principal stations on the east side as far north as L; for the connection of Station C, Ninth avenue and West Thirteenth street; Foreign Branch, at Morton and West streets; and Station S, Broadway and Howard street (on the west side); and for a direct east and west connection between Times Square Station and Station H. When Station H is located in the Grand Central Station, the Pennsylvania terminals completed, and the tube service fully installed between the general post-office and all railroad terminals and principal postal stations, the full efficiency of the pneumatic-tube service will be realized.

EVENING DELIVERIES OF FIRST-CLASS MAIL MATTER.

An experiment was tried last fall in some of the residential districts of New York City of delivering mail at 8 p. m. The plan is now a permanent and successful feature of the New York City postal service, and will be extended to other cities when it can be done

economically. It is found that the evening delivery of mail is the second heaviest of the day and relieves considerably the heavy morning delivery, thus enabling the carriers to complete their first trip earlier, and thereby especially benefiting the patrons who live at the ends of the carriers' routes. The volume of local mail has been increased by this improvement.

CLERK HIRE AT OFFICES OF THE THIRD CLASS.

A liberal increase in the appropriation for clerk hire at third-class offices was granted at the last session of the Congress, and the appropriation for temporary and auxiliary service heretofore provided for first and second class offices only was made available for summer and winter resort offices of the third and fourth classes. While the appropriation is not sufficient to pay the full cost of clerical services at third-class offices, it has enabled the department to relieve the postmasters of a considerable portion of the expenses hitherto paid from their personal funds. It should be borne in mind that postmasters at third-class offices are required to defray all the incidental expenses of their offices, since there is no appropriation for this purpose, and in the majority of cases they also have to provide the post-office equipment.

Owing to the increased deficit, the department has not recommended an increase in the scale of allowances for clerk hire for third-class offices, but has estimated simply for sufficient funds to provide for the growth of the service.

EFFICIENCY RECORDS OF POST-OFFICE EMPLOYEES.

The experience of the past year has emphasized the necessity for establishing a uniform system by which postmasters can measure the efficiency and faithfulness of their clerks and carriers. The recommendations for promotions to the \$1,200 grade show with especial clearness how widely divergent are the views of different postmasters as to the degree of excellence necessary to warrant such advancement. The law places the burden of deciding that question on the department, which can not consistently maintain varying requirements for different post-offices. A tentative system of efficiency records for clerks and carriers, prescribing uniform standards for the entire service, has therefore been adopted.

ANNUAL LEAVE OF POST-OFFICE EMPLOYEES.

Recommendation was made last year that the leave of absence with pay allowed by law to employees of the postal service be increased to thirty days. An experiment was instituted by the department during the vacation season to ascertain whether the cost of city letter carriers' vacations could not be decreased by reducing the number of collections and deliveries in residential districts during the heated term. As a result many thousand dollars were saved, so that the expense of allowing a vacation of a month will be by no means double the cost of allowing fifteen days' leave with pay. I believe the additional leave should be authorized whenever the postal revenues shall justify it.

COMPENSATION OF POST-OFFICE EMPLOYEES.

The new salary law, under which clerks and carriers are promoted annually for faithful and efficient service, has now been in operation more than a year. Under this law 15,825 clerks and 19,792 carriers were advanced in salary on July 1, 1907; 1,459 clerks and 1,190 carriers on October 1, 1907; 1,436 clerks and 1,342 carriers on January 1, 1908; and 1,160 clerks and 1,179 carriers on April 1, 1908, the total number of promotions being 19,880 for clerks and 23,503 for carriers. Although these increases in salaries represent a large amount of money, the efficiency of the employees affected has been materially increased, with consequent improvement of the service as well as a relative decrease in the number of additional employees required. These increases in salaries, and especially the number of promotions to the \$1,200 grade provided for by the appropriation for the current fiscal year, emphasize the urgent need for increases in the compensation allowed supervisory employees. Their salaries are regulated by a law passed in 1883. In many cases subordinate clerks receive the same salary as their superintendents. This condition should be remedied, and it is believed that the restrictions imposed by the present statutes as to the maximum salaries should be modified. However, the department has not estimated for additional promotions for such employees for the next fiscal year, owing to the great increase in the deficit.

GROWTH OF CITY DELIVERY SERVICE.

The free delivery of mails by city letter carriers was extended to 92 additional cities during the year ended June 30, 1908, and 2 city delivery post-offices—Ballard, Wash., and East Providence, R. I.—were consolidated, respectively, with Seattle and Providence, making the net increase in the number of post-offices provided with city delivery service 90, and the total number of such offices 1,330 on June 30, 1908. The total number of regular letter carriers in the service on June 30, 1908, was 26,352, a net increase during the year of 1,775. As each of the carriers employed serves on an average more than 1,700 persons, approximately 45,000,000 people are provided with the city delivery service.

EXTENSION OF CITY DELIVERY SERVICE.

There are in the aggregate millions of people residing in towns and cities having a population of from three to five thousand who have to call at the post-office for their mail. The farmer living on the rural route receives his mail from the carrier, and the resident of the city having a population of 10,000 or postal receipts of \$10,000 has his mail delivered at his door. As this is really a discrimination, the law should be amended whenever the revenues will justify the additional expense involved so as to permit the department to extend the delivery service to the towns and smaller cities, as recommended in previous annual reports.

USE OF AUTOMOBILES IN THE COLLECTION OF MAILS.

An experimental collection service by automobiles was established in Milwaukee last February. It is found that the same force of collectors can do twice the amount of work under this system as when using horse-drawn vehicles, and that the collection of mail is expedited. A temporary contract has been entered into recently for Washington, D. C., and the experiment will be tried also in Indianapolis, Ind., during the current year. The department will be in a position later to report to the Congress upon the advisability of using automobiles in all the larger cities.

BACKSTAMPING OF POSTAL CARDS.

On April 1, 1908, the postal regulation concerning backstamping was amended by the omission of the requirement that postal cards and post cards should be postmarked (on the address side) to show the

date of their receipt at the post-office of address. While this amendment necessitates the separation of cards from letters (except when addressed to any of the few offices where letters are not backstamped), the labor required is much less than was involved in placing the "received" postmark on the address side, which made it necessary to remove the postal cards from the letter packages and reverse them. This change will be appreciated by the senders and addressees of souvenir and picture cards, which thereby escape the possibility of defacement by the backstamp.

ANTIQUATED LAWS RELATIVE TO THE HANDLING OF THE MAILS.

Attention has been invited in previous years to the fact that the work of the postal service was impeded by the existence on the statute books of a number of laws prescribing methods for the handling of mail, which, while perhaps excellent at the time of their enactment, are unsuited to present conditions. Among such laws are those prescribing that undelivered letters bearing on the envelope the writer's name and address without a request for return after a specified number of days shall be held for thirty days before being returned to the writer, and that postmasters shall notify publishers when copies of their publications addressed to subscribers have remained undelivered for thirty days. In the last report of the department it was suggested that these laws be amended so as to permit the return of undelivered letters and the notification of publishers at the expiration of a shorter period. The enactment of such legislation is very desirable.

BONDS OF OFFICERS AND EMPLOYEES OF THE POSTAL SERVICE.

The establishment of a guaranty fund by collecting annually from postmasters and employees holding positions of financial responsibility small sums, to be used in paying losses that occur through defalcations, is suggested for consideration of the Congress. More than 200,000 officers and employees of the postal service are required to give bond, either by law or by regulation, in amounts aggregating about \$300,000,000, with either corporate or individual surety. It is evident that the execution, acceptance, and filing of these bonds entails a vast amount of clerical work, the salaries of the clerks amounting to \$37,000 a year. The average annual collections

from surety companies and individual bondsmen amount to less than \$32,000. Estimating the premium paid surety companies at \$1 per thousand on the bonds accepted from such companies and the total amount of these bonds at \$200,000,000, the aggregate amount paid therefor annually by the officers and employees is \$200,000.

LABOR-SAVING DEVICES.

In the preliminary report of the Postal Commission attention is called to the lack of labor-saving devices in the postal service. In a general way this criticism is fully justified. This condition is due, however, more to the lack of sufficient appropriations than to the failure of the department to recognize the needs of the service in this regard.

All the first-class offices and a majority of the second-class offices are provided with postmarking and canceling machines. Undoubtedly the use of these machines could be extended with advantage to many of the smaller offices, where the postmarking is now done by hand, resulting frequently in defective and illegible postmarks. The use of typewriting and adding machines should also be materially extended.

During the past year the subject of automatic conveyors in post-offices has received much attention. Those now in use in Chicago will serve as a type. The devices may be described in brief as a series of belts and automatic appliances for the transportation of mail between the different sections of the post-office workroom. The Chicago post-office covers a full city block, and the distributing cases are arranged around a light well, the distance from the first distributing case to the last being 1,400 feet. Mail collected from the street letter boxes is sent in the carriers' satchels by a chute from the street level to the basement and is then carried from the basement on automatic elevators to an operator on the third floor, who dumps it loose in a car that runs on a track suspended over the facing tables.

The bottoms of these cars are hinged and the contents can be automatically delivered into any one of the hoppers over any facing table. As soon as the load is delivered the car automatically returns to the starting point. The capacity of each car is about 350 pounds of first-class mail. The facing tables mentioned are equipped with

conveyors or belts along the front edge. Letters when faced are placed edgewise upon these conveyors and are carried to a stacker which separates the long from the short letters, and they are then ready for the canceling machines. When the letters have been post-marked and the stamps canceled by machinery they are placed in trays on a belt about 12 inches wide which runs constantly. The trays are provided with an adjustable finger so that they will deliver the mail to any one of the fourteen stations desired. At each one of these stations is a distributor who sorts them into his letter case.

There is also a device for returning missent or miscased mail to the proper place. Letter mail is tied out, placed on the belt conveyors running over each distributor's case, and automatically carried to the distributing table, where it is delivered into chutes connected with the tube stations on the floor below and dispatched to the railroad station. The minimum time for a letter deposited in one of the letter drops in the post-office to reach the railroad station is fifteen minutes and the maximum time about thirty minutes. Incoming mail is handled on the first floor in a similar manner. The machinery has been in operation a sufficient length of time to enable the department to correct defects, and its value in the saving of labor and time is fully demonstrated.

Contracts have been entered into for conveyors of this character in several of the large stations of the New York City post-office, where the pneumatic-tube system is in operation.

Somewhat similar devices are also in operation in the post-office at Washington, D. C., an appropriation of \$10,000 for the purpose having been made during the last session of the Congress. Two belt conveyors, one tray conveyor, two overhead-cable systems, and a facing table have been installed.

One of the belt conveyors, which is 12 inches in width, is used for conveying the incoming mail for city delivery from the dumping table to the canceling machines. The other, 18 inches in width, is utilized for carrying mail from the dumping table to the point where all mail intended for delivery to the several executive departments and their various bureaus is handled. The tray conveyor, which is 12 inches in width, is similar to the one now being used at the Chicago office, and serves to convey outgoing mail from the canceling machines to the various distributing cases.

One of the overhead-cable systems is used for conveying special-delivery letters from the mailing division, where letters for local delivery are mailed, and from the dumping table, where incoming special-delivery letters are first handled, to the special-delivery section. The other overhead device, which is equipped with 32 stations and a traveling car or basket, is used in conveying what is known as "returns" from the carriers' desks to the distributing cases. Owing to the large number of changes of address it is necessary for the carriers to transfer great quantities of mail from one route to another. This has heretofore been done by the carriers leaving their desks and walking to the return distributing cases, and quite frequently it happened that the returns were not made in time to be included in the next delivery, but were delayed in delivery until the next trip of the carrier on that day. With the use of the overhead device it is only necessary for the carriers to place their returns upon a station, and they are transported to the distributing case and again assorted for immediate delivery.

The facing table is 24 feet in length and is similar to the one described as being in use at Chicago, except that canceling machines will be connected with the belt conveyors in such a manner that the short letters will be canceled without additional handling and the long letters separated and automatically stacked ready for the canceling machine.

RAILROAD MAIL TRANSPORTATION.

SERVICE AND QUADRENNIAL READJUSTMENT.

On June 30, 1908, the number of railroad mail routes in operation was 3,293, with a length of 213,220.47 miles and an annual travel of 407,799,039.44 miles. The annual rate of expenditure for this service was \$44,722,985.47, or \$209.75 per mile of route, while the average cost per mile of travel was 10.96 cents. Compared with the previous year, these figures show an increase in number of routes of 2.19 per cent, in length of routes of 2.88 per cent, and in annual travel of 5.22 per cent, and a decrease in annual rate of expenditure of 0.87 per cent, in rate of cost per mile of length of routes of 3.65 per cent, and in average cost per mile traveled of 5.89 per cent.

The completion of the readjustment in the third contract section has enabled the department to compute the full effect of the reduc-

tion in the rate of pay for the transportation of mails on railroad routes and for railway post-office car service provided for by the act of March 2, 1907. The annual reduction in the railroad transportation pay in the third contract section is \$759,145.88, or 4.10 per cent, and in railway post-office car service \$442,755.76, or 16.70 per cent, making a total annual reduction of \$1,740,494.63 in transportation pay and of \$935,974.09 in railway post-office car pay for the entire service.

During the past fiscal year the mails were weighed on the railroad routes in the second contract section, embracing the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, and Kentucky, and Porto Rico. The annual rate of expenditure for railroad transportation in that section on June 30, 1908, was \$4,602,915.90. The readjustment of pay for the four years beginning July 1, 1908, based upon such weighing, has been nearly completed. The result as far as ascertained shows an increase in transportation pay of \$67,237.58, or 1.46 per cent, and in railway post-office car pay of \$2,981.35, or 0.8 per cent. When the mails were weighed in this section four years previously the increase in the rate of railroad transportation pay was 12.30 per cent. The smaller rate of increase under the current readjustment is due to the use of the whole number of days in the weighing period as the divisor for ascertaining the average daily weight in accordance with my Order No. 412, dated June 7, 1907, and to the withdrawal of equipment and supplies from the mails in accordance with the provisions of law. The application of the new divisor to the computation of the average daily weights in this weighing resulted in a saving of \$434,730.82 per annum, or 8.78 per cent.

At the time of the submission of the last annual report the readjustment of pay for railroad service in the third contract section had not been completed, and the results were not fully known. The completion shows an increase in railroad transportation pay of \$380,333.94, or 2.41 per cent, and a decrease in railway post-office car pay of \$507,634.68, or 18.01 per cent. The application of the new divisor to the computation of the average daily weights resulted in a saving of \$1,787,378.10 per annum, or 9.65 per cent. It is apparent, therefore, that if the new divisor had not been adopted the adjustment would have shown an increase in railroad transportation pay for this section alone of \$2,167,712.04 instead of the small amount stated above.

Attention is called to the inconsistencies in the provisions of the law of March 2, 1907, above referred to, so far as they relate to the rates for land-grant roads. The rate for railroad transportation on land-grant roads for weights above 48,000 pounds is fixed at \$17.10 for each 2,000 pounds. This is higher than the land-grant rate for the same amount of mail between 5,000 and 48,000 pounds, which is \$16.24 for each 2,000 pounds. As the general law provides that a railroad company whose railroad was constructed in whole or in part by a land grant, etc., shall receive only 80 per cent of the compensation otherwise authorized, this rate of \$17.10 for each 2,000 pounds above 48,000 pounds should be changed to \$15.39, which is 80 per cent of \$19.24, the ordinary rate for the same amount of mail.

Last year attention was directed to the advantages of conducting in Washington the tabulation of weights of mails taken during the quadrennial weighings on railroad routes. In order to accomplish this, legislation is needed authorizing the renting of suitable quarters in Washington to accommodate the force of tabulators. The expenses of such tabulation are provided for by the act of March 3, 1875 (18 Stat. L., 341), which authorizes the payment for weighing the mails from the appropriations for railroad transportation. The weighing is done in cars and at railroad stations by employees of the department. The results are tabulated in the offices of the superintendents of Railway Mail Service at division headquarters, and are then certified to the department, where the daily average weights are computed. For the purpose of securing the greatest economy and uniformity of method it is desirable to have the tabulations made in the department, and, in order to utilize the force of tabulators most efficiently for completing the adjustments, authority is desired to employ them when necessary to assist in completing the computations. I therefore recommend the following legislation:

Out of the appropriation for inland mail transportation, the Postmaster-General is authorized hereafter to pay rental for quarters in Washington, District of Columbia, and compensation to tabulators and clerks employed in connection with the weighings for assistance in completing the computations, in connection with the expense of taking weights of mails on railroad routes, as provided by law.

ECONOMY IN READJUSTMENT.

Reference was made in the last annual report to the policy which had been inaugurated of effecting a saving to the Government in cases where, at the beginning of a contract term, the department has

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the choice of dispatching through mails with equal advantage by competing routes, one of which may be more economical than the other. Where the department has the opportunity, it seeks to secure to the Government the advantage in cost, although the mails may be permitted to be carried over the longer or more expensive route. The application of this principle is only possible when the adjustments are made, and accordingly it has been extended as far as practicable in the second contract section, in which the weighing has last occurred, resulting in a saving of \$1,126.55 per annum from July 1, 1908 (or \$4,506.20 for the four-year term), for service on routes Nos. 118002, 120030, 120002, 120005, 120004, and 121009, between Weldon, N. C., and Jacksonville, Fla., and route No. 123018, between Jacksonville and Tampa, Fla.

The saving effected in the third contract section by orders made to date, on routes Nos. 135007 and 143005, Chicago to Union Pacific Transfer (n. o.), Iowa, is \$9,270.83 per annum from July 1, 1907, or \$37,083.32 for the four-year term.

READJUSTMENTS FOR DIVERSIONS OF MAILS.

In the last annual report attention was called to the defect in the law in that it prevents the department from readjusting compensations for carrying mails in cases where diversions are made from one route to another during a contract term, and remedial legislation was recommended.

Under existing law and practice, compensation for railroad mail transportation in any one contract section is readjusted upon a general weighing of the mails in such section, but not oftener than once in every four years. It has been deemed inadvisable to authorize special weighings during a quadrennial term. As a result, when mails are diverted from one route to another during the term, payments continue to be made to railroad companies for the remainder of the term for weights which they have ceased to carry, and the railroad companies carrying the diverted mails do so without receiving additional compensation therefor. A practical and equitable readjustment of pay in such instances could be accomplished by ascertaining the effect of such diversions by taking the weights of the mails diverted, computing their daily average, and revising accordingly the average daily weights of the routes affected, but making due allowance for the increase in the weight of mails subsequent to

the general weighing, as it would not be just to subtract this increase from the weight carried by the one company or to credit it to that carried by the other. As there is a question, however, whether the Postmaster-General has sufficient authority under existing law to make readjustments in such cases without a new weighing of all the mails carried over the routes affected, I earnestly renew the recommendation made in the last report for the enactment of a provision giving such authority. The proposed legislation is as follows:

When, after a weighing of the mails for the purpose of readjusting the compensation for their transportation on a railroad route, mails are diverted therefrom, the Postmaster-General may, in his discretion, ascertain the effect of such diversion by a weighing of the mails so diverted for such number of successive working days as he may determine and have the weights stated and verified to him as in other cases, and readjust the compensation upon the routes affected accordingly: *Provided*, That no readjustment shall be made unless the diverted mails equal at least 10 per cent of the average daily weight on either of the routes affected.

RAILWAY POST-OFFICE CAR PAY.

The annual rate of expenditure for railway post-office cars on June 30, 1908, was \$4,681,777.58, being 20.50 per cent less than the previous year.

This reduction is due mainly to the application of the provisions of the act of March 2, 1907 (34 Stat. L., 1212), reducing the rates of pay for railway post-office car service, which became effective July 1, 1907, and further to the efforts of the department to readjust the pay for this service upon an equitable basis of payment for the actual needs of the service.

For a number of years it has been customary for the department to authorize, by agreement with the railroad companies, what are known as half lines of railway post-office cars. These have generally arisen in cases where the needs of the service in one direction were sufficient to warrant the authorization of at least a 40-foot car for railway post-office purposes, but not sufficient to authorize that space in the opposite direction. In such cases the companies have returned the railway post-office car in satisfaction of the requirement of an apartment car, where needed, without specific charge therefor and waited for the authorization of a full line until the needs of the service in both directions would justify it. Half car lines have been established also in cases where, after the authorization of a full line,

the needs of the service in one direction became greater than in the opposite direction and therefore warranted an increase of space in that direction only. These increases have been authorized with the consent of the companies concerned, and such companies have operated the larger sized cars in both directions, receiving the maximum pay in but one direction until such time as the needs of the service would warrant the authorization of a full line at maximum pay.

With few exceptions, the companies concerned have accepted and performed service under these conditions, though occasionally expressing the belief that the maximum pay for the length of car run should in all cases be allowed in both directions. When, however, the department recently attempted to reduce instead of increase the service in one direction only, the action was met with protest, which brought under consideration the whole question of the equity of the department's practice of authorizing payment for less than full lines. A departmental commission was appointed to hear the representations of the companies. The conclusions of their report have been embodied in the regulations, and an endeavor has been made to give due consideration to the equities of both the Government and the companies. The regulation applies to new authorizations, and in behalf of the companies provides for the minimum pay of a 40-foot car in each direction, unless otherwise agreed upon, and in behalf of the Government provides for payment in each direction in accordance with the actual need for 40 feet or more of space. Other than the maximum pay for a full line is not to be stated, however, without agreement. This effort to reach a settlement of the difficult question has not been entirely successful, as the companies generally contend that less than the maximum pay is inadequate for the service of hauling a car of the same length in both directions.

DATA RELATING TO THE OPERATION, RECEIPTS, AND EXPENDITURES OF RAILROAD COMPANIES TRANSPORTING THE MAILS.

It has been impracticable to fix the period during which the data may be secured relating to the operation, receipts, and expenditures of railroad companies transporting the mails, as required by the inquiries, forms, and instructions prepared in the office of the Second Assistant Postmaster-General, in accordance with the provisions of the act of March 3, 1879 (20 Stat. L., 358), for the reason that the railroad companies at whose instance the postponement was made

had not been able until a recent date to agree upon a uniform method of considering the inquiries and furnishing the information. The results of their conferences have now been submitted, however, and the department has taken the matter up actively with all the large railway systems of the country with the hope of perfecting the plan for securing a complete and adequate statement. It is believed that this will be accomplished in a short time, and it is the purpose to secure the information by the earliest practicable date and submit it to the Congress. The reports will be voluminous and the tabulation and arrangement of the data will require the services of a number of clerks not available in the regular force. I therefore renew my recommendation that the Congress appropriate \$5,000 for this purpose, including the rental of suitable quarters in Washington, D. C.

ELECTRIC AND CABLE CAR SERVICE.

The number of electric and cable car routes in operation on June 30, 1908, was 508, with a length of routes of 6,764.77 miles, and an annual travel of 11,716,416.26 miles. The annual rate of expenditure, exclusive of the Chicago underground electric service (\$172,600), was \$641,736.32. This is an increase in the number of routes of 4.31 per cent, in length 6.63 per cent, and in annual travel of 3.66 per cent. The rate of cost per mile of travel was 5.47 cents, an increase of 0.73 per cent, and the cost per mile of length of route was \$94.86, a decrease of 1.98 per cent.

The readjustments of compensation under the provisions of the law authorizing increases where the quantity of mail is large and the number of exchange points numerous have proceeded, resulting in a net increase of compensation of \$31,408.76 during the fiscal year.

Last year attention was called to the fact that the clause in the post-office appropriation act making provision for this service included the sum of \$172,600 for the purpose of covering the cost of mail service by underground electric cars in the city of Chicago, Ill.; that this service was contracted for under the authority of the act of March 3, 1905; that the contract entered into would expire June 30, 1908; and that it would be necessary to secure authority for a new contract if the service were to continue. Accordingly recommendation was made to the Congress to renew the authority to contract for underground electric-car service at Chicago for a period of four years, and that in the event no contract was entered into for this

service for another term the amount appropriated, or so much thereof as might be necessary, should be available for regulation screen-wagon service for Chicago, and the Congress included in the item for regulation screen or other wagon service for the present fiscal year an authority to contract, for a term not exceeding four years from July 1, 1908, for either screen-wagon or underground electric-car service in the city of Chicago, Ill.

The department took prompt action to secure a renewal of the contract for underground electric-car service at a rate fair to the Government and commensurate with the service required. The negotiations failed to secure a proposition for a renewal at a rate less than \$300,000 per annum; and reliable proposals for regulation screen-wagon service having been received from bidders of wide experience, a contract was entered into with the lowest bidder at the rate of \$145,400 per annum for the service, a saving of \$154,600 per annum for the term of three years. This wagon service began on July 1, 1908, and has proved entirely satisfactory, being as efficient as any service ever rendered in Chicago.

PNEUMATIC-TUBE SERVICE.

On June 30, 1908, pneumatic-tube service was under contract in the cities of Boston, Brooklyn, New York, Philadelphia, Chicago, and St. Louis. In Boston all service under contract, 6.652 miles of double lines of tubes, was in operation; in Brooklyn all service under contract, 1.35 miles of double lines of tubes, was nearly ready for operation; in New York service by 9.3998 miles of double lines of tubes out of 26.89 miles under contract was in operation; in Philadelphia service by 6.022 miles of double lines of tubes out of 7.35 miles under contract was in operation; in Chicago service by 7.41 miles of double lines of tubes out of 17.563 miles under contract was in operation; and in St. Louis service by 1.85 miles of double lines of tubes out of 3.47 miles under contract was in operation.

The further installation of tubes in Chicago has been suspended by the contractor pending a change in the terms of the franchise under which the company operates. The line between the Chicago post-office and the Northwestern Railroad depot has not been restored, but the contracting company has agreed to do so as soon as practicable.

The progress made in the installation of tubes and the inauguration of service in New York City has been already set forth.

Since June 30, 1908, service by the tube lines between Brooklyn, N. Y., post-office and Station L, 1.35 miles, and between Philadelphia post-office and Southwark Station and Station D, 1.91 miles, has been put into operation. Favorable report has been made upon the proposed inauguration of service to Fairfield Station and North Philadelphia Station, and the company has been asked to agree to the extension.

In New York City and Brooklyn it has been necessary to arrange for additional space in some of the stations to accommodate the receiving and dispatching apparatus and other terminal machinery for the tube service. To this end negotiations have been carried to successful termination by which additional space has been secured in Stations C, J, L, N, W, and Y, in New York City, and Station L in Brooklyn, and an exchange of space has been arranged at Station L in New York City.

A committee was appointed in May, 1908, to consider the differences existing between the contracting pneumatic-service companies and the Post-Office Department with reference to pneumatic-tube service in New York City, Chicago, and St. Louis. The matters considered were the proper routes for acceptance between the Chicago, Ill., post-office and the Northwestern Railroad depot, between the St. Louis post-office and the Annex Station at the Union Station, questions respecting the routes to be followed in New York City in extensions of lines under contract, and the claims of the contracting companies for temporary service performed by the Illinois Tunnel Company between the Chicago post-office and the Northwestern Railroad depot for the pneumatic-tube contractor. The differences were adjusted upon an equitable basis.

By act of May 27, 1908, making appropriations for the service of the Post-Office Department for the present fiscal year, the Congress authorized and directed an investigation and report not later than January 1, 1909, as to the feasibility and desirability of the Government purchasing the equipment for pneumatic-tube service, and thereafter operating the same in the cities where such service is now in operation, and also as to the approximate cost of purchase and of installation and the cost of maintenance and operation. Accordingly I appointed a commission of expert postal and departmental officials to make a thorough investigation and report to me upon all matters

involved, in order that the information desired by the Congress may be furnished as required.

The commission has conducted an exhaustive investigation, covering an inspection of the physical properties in the several cities, the ascertainment of the original cost of the same, the examination of the franchises under which tubes were installed and are operated, the ascertainment of the patents covering the devices used, the cost of like installation at this time, and the present cost of material, machinery, and labor to operate the tubes and perform service, the advantages and efficiency of the service as now performed, the charters of the contracting companies owning and operating the plants, their stock issues, assets, and liabilities, the probable relations that would exist between the General Government and the State and municipal governments in the cities named, and the extent of the use of pneumatic tubes for mail purposes in foreign countries.

The report will be submitted to the Congress soon after it convenes.

REGULATION SCREEN-WAGON SERVICE.

On June 30, 1908, there were 309 wagon routes in operation, with a total length of 1,031.21 miles and an annual travel of 4,454,373.08 miles. The annual rate of expenditure was \$1,331,572.30, the rate of cost per mile of travel 29.89 cents, and per mile of length of route \$1,291.27. This was an increase in routes of 5.82 per cent, in length of routes of 2.95 per cent, in length of travel of 4.48 per cent, in annual rate of expenditure of 9.53 per cent, in cost per mile of travel of 4.84 per cent, and in cost per mile of length of 6.40 per cent.

During the fiscal year the service was advertised in the second contract section, and new contracts made for a term of four years, beginning July 1, 1908. The annual rate of expenditure on that date under the new contracts was \$99,097.92, an increase of \$27,574.92 over the annual rate of expenditure on June 30, 1908, under the expiring contracts. The increase in the number of miles traveled annually in this service was 40,127.94. The rate of cost per mile of travel in this section on June 30, 1908, was 26.88 cents; on July 1, under new contracts, 32.36 cents, an increase of 20.38 per cent.

MAIL MESSENGER SERVICE.

On June 30, 1908, there were 7,654 routes in operation, with a length of routes of 5,079.64 miles and an annual travel of 11,878,031.92 miles. The annual rate of expenditure on that date was \$1,459,694.68.

The rate of cost per mile of travel was 12.29 cents, of mile of routes \$287.36. This was an increase in number of routes of 2.66 per cent, in length of routes of 1.32 per cent, and a decrease in annual travel of 0.72 per cent, an increase in annual rate of expenditure of 6.42 per cent, in rate of cost per mile of travel of 7.24 per cent, and in rate of cost per mile of length of 5.09 per cent.

SPECIAL WEIGHING OF THE MAILS IN 1907.

In the last annual report there were set forth the terms of the law under which the special weighing of the mails was required, the steps taken by the department to carry out the provisions, and a detailed statement of the several weighings and records ordered to be made and kept. The principal weighing began July 1, 1907, and continued for six months. Other special weighings and records were required for different periods during that time. In all, nine different weighings and records were required. The conduct of the weighings, records, and computations was in the direct charge of a departmental committee acting under the supervision of the Second Assistant Postmaster-General. These weighings and records were made and kept by all postmasters and by the employees of the Railway Mail Service.

The reports were rendered monthly, and at the close of each special period, to the department, where they were assorted, classified, and tabulated by a competent force of special employees, under the direction of the committee. The computations incident to the several weighings and records were made in the same manner, and the complete report, giving all the details and results of the weighings and records, was prepared, and transmitted to the Congress on May 1, 1908, the date fixed by the statute for report. The Congress appropriated \$300,000 to cover the expense of weighing and counting and the recording and compilation of the information so required. The amount expended for the purpose was \$216,955.41, leaving a balance of \$83,044.59.

The detailed report is printed as Document No. 910, House of Representatives, Sixtieth Congress, first session, and contains information of great value to the postal service and to the Congress.

STAR-ROUTE SERVICE.

There were 14,032 routes in operation on June 30, 1908, with a length of routes of 182,286.51 miles and an annual travel of 94,314,842.21 miles. The annual rate of expenditure on that date was \$6,865,476.07. This was a decrease in the number of routes of 6.30 per cent, in length of routes 6.35 per cent, in annual travel 6.58 per cent, and in the annual rate of expenditure 5.07 per cent.

During the past fiscal year the star-route service in the second contract section was readvertised and contracts awarded for the term of four years beginning July 1, 1908. These new contracts cover 3,183 routes with an annual rate of expenditure of \$1,232,554.69, an increase of \$122,877.34.

The contracts for star-route service in all parts of the United States now provide for delivering mail into and collecting it from boxes along the lines of the routes. This feature of the service has proved highly satisfactory to the large number of patrons so served, and is recognized as a valuable public convenience.

The star-route service discontinued during the fiscal year by reason of the establishment of rural delivery represented an annual rate of expenditure of \$259,191.72. The previous year it was \$418,437.50. During the year 758 routes were discontinued, as against 1,311 during the year 1907, 1,337 during 1906, and 2,241 during 1905.

In the last annual report attention was invited to the desirability of amending certain laws relating to contract mail service. The enactment of such amendments is again recommended.

1. Under existing law, copies of advertisements for general lettings of star, steamboat, and screen-wagon service are required to be posted in every post-office in the State or Territory included in the advertisement, although many of the post-offices are not interested or located on the routes advertised. The posting of the advertisement in only those offices which are upon routes stated in the advertisement will meet the needs of the service. The act approved March 1, 1881 (sec. 1254, P. L. and R., 1902), reads as follows:

And hereafter the Postmaster-General shall cause advertisements of all general mail lettings of each State and Territory to be conspicuously posted in each post-office in the State and Territory embraced in said advertisements for at least sixty days before the time of such general lettings; and no other advertisement of such lettings shall be required; but this provision shall not apply to any other than general mail lettings.

It is believed that the desired change could be accomplished by enacting legislation to the following effect:

So much of the act making appropriations for the service of the Post-Office Department for the fiscal year ended June thirtieth, eighteen hundred and eighty-two, and for other purposes, approved March first, eighteen hundred and eighty-one, as relates to the advertisements of mail lettings, is hereby amended to read as follows:

"Hereafter the Postmaster-General shall cause advertisements of all general mail lettings of each State and Territory to be conspicuously posted in each post-office named in said advertisement for at least sixty days before the time of such general lettings; and no other advertisement of such lettings shall be required; but this provision shall not apply to any other than general mail lettings."

2. The act making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1883, approved May 4, 1882, contains the following:

If any person shall hereafter perform any service for any contractor or subcontractor in carrying the mail, he shall, upon filing in the department his contract for such service and satisfactory evidence of its performance, thereafter have a lien on any money due such contractor or subcontractor for such service to the amount of the same; and if such contractor or subcontractor shall fail to pay the party or parties who have performed service as aforesaid the amount due for such service within two months after the expiration of the quarter in which such service shall have been performed, the Postmaster-General may cause the amount due to be paid said party or parties and charged to the contractor, provided that such payment shall not in any case exceed the rate of pay per annum of the contractor or subcontractor.

When the foregoing law was enacted payments were made to mail contractors quarterly. Payments are now made monthly, and the department should be authorized to settle with carriers within two months after the month in which the service has been performed in cases where contractors have failed to settle with their carriers. To accomplish this it is only necessary to strike out the word "quarter" in the clause "within two months after the expiration of the quarter in which the service shall have been performed," inserting in lieu thereof the word "month."

3. The act of August 3, 1882 (ch. 379, 1 Supp. 372), provides that:

The Postmaster-General is hereby authorized, in cases where the mail service would be thereby improved, to extend service on a mail route under contract, at not exceeding pro rata additional pay, for any distance not exceeding twenty-five miles beyond either terminal point named in said contract: *Provided*, That

no service shall be extended beyond the original terminal points more than once during the term for which the contract shall have been made.

In order that the department may extend a mail route more than once beyond its termini for the purpose of affording mail supply for post-offices in an economical manner, the following proposed amendment is submitted for consideration:

The Postmaster-General is hereby authorized, in cases where the mail service would be thereby improved, to extend service on a mail route under contract, at not exceeding pro rata additional pay: *Provided*, That the extensions beyond either terminus ordered during a contract term shall not, in the aggregate, exceed twenty-five miles.

The development and growing importance of Alaska and the consequent increase in the postal needs of the Territory have been such as to necessitate material changes and improvements in the mail facilities. The increase in weight limit on the Valdez-Fairbanks route to 800 pounds per trip, mentioned in the last report, did not provide for all mails to interior Alaskan points during the winter months. With the view of affording relief, arrangements have been perfected whereby the amount of mail to be carried from Valdez to Fairbanks will be increased by providing for the transportation of 48,000 pounds of additional matter during the midwinter months. The Valdez-Fairbanks route has become the main artery of travel to the Alaskan interior during the winter season. The amount of mail to be transported over routes traversing the other main lines of travel from Fairbanks has also been proportionately increased, thus affording additional service to Tanana, St. Michael, Nome, the Cleary district, and certain other interior points. Although the amount of mail carried into Alaska during the winter season has been thus largely increased, the result has been secured without additional expense to the department by means of a rearrangement of certain service which has been found feasible owing to changed conditions.

The large shipments of gold dust and bullion from Alaska by mail have made it difficult to contract for service, especially by steamships operating between Seattle, Wash., and Nome, Alaska, on account of the risk involved.

The steamship companies have represented that the shipments of gold by mail subject them to possible extraordinary loss, and have petitioned for the exclusion of valuable minerals and metals from the Alaskan mails, or that they be relieved from responsibility in the

event of the loss of such valuable minerals and metals. The Postal Laws and Regulations prescribe the size and weight of individual packages, but do not limit the number of packages of any particular kind, and minerals and metals are especially enumerated as articles that shall be admitted to the domestic mails. It has not been the policy of the Government to exclude from the mails in any part of the United States any matter which would be admissible in other portions of the country nor to agree to any exemption from responsibility for loss.

STEAMBOAT SERVICE.

On June 30, 1908, there were 215 steamboat routes in operation, with a length of 29,870.82 miles, and an annual travel of 4,977,950.79 miles at an annual rate of expenditure of \$758,235.09. This was a decrease in the number of routes of 3.15 per cent, in length of routes of 17.68 per cent, in annual travel of 12.01 per cent, and in the annual rate of expenditure of 5.77 per cent.

During the fiscal year the second contract section was advertised and contracts entered into for a term of four years beginning July 1, 1908. The annual rate of expenditure on July 1, 1908, under the new contracts, was \$138,119.50, a decrease as compared with the rate of June 30, 1908, under the old contracts, of 21.37 per cent.

SPECIAL OFFICE SERVICE.

The Postmaster-General is authorized by law to enter into contracts to supply mails to post-offices not on any established route and to allow in each case as compensation for carrying the mails an amount not exceeding two-thirds of the salary to be paid to the postmaster at such special office. On June 30, 1908, there were 1,120 special offices, with an aggregate length of routes of 12,453.90 miles, and of annual travel of 3,298,069.04 miles, involving an expenditure during the year of \$28,828.61. There was an increase in the number of routes of 11.66 per cent, a decrease in the length of routes of 2.95 per cent, an increase in the annual travel of 9.28 per cent, and a decrease in the annual rate of expenditure of 15.37 per cent.

FOREIGN MAIL SERVICE.

VOLUME AND FREQUENCY OF MAILS.

The aggregate weight of United States mails dispatched to foreign countries by sea during the fiscal year was 2,231,147 pounds of letters

and post cards and 12,466,612 pounds of other matter; and the total cost of the service was \$2,875,911.72.

As heretofore the mails for Great Britain and the continent of Europe have been dispatched by the fast steamers of all the different lines, care being taken to utilize such steamers as will deliver them at destination within the shortest time. This gives us a mail to Europe four days a week. The service to Central and South America, the West Indies, Australasia, and the Orient has been reasonably frequent and regular, no important changes having occurred during the year.

OCEAN MAIL SERVICE.

With the exception of our service to Europe, the American ocean mail facilities do not compare favorably with those of the other great nations. In no other branch of our postal service has so little been done in the way of helpful legislation, no provision having been made for improving the conditions since the act of March 3, 1891. Under that act we now have a good service to Jamaica, Cuba, and the Atlantic ports of Mexico in our own ships, subject to our own control; but the longer and more expensive routes are not adequately provided for, and with the exceptions above noted our mails to Central and South America, the West Indies, Australasia, and the Orient are almost wholly dependent on foreign steamers over which we have no jurisdiction. Last year the department recommended, and the Senate by a practically unanimous vote passed, a bill (S. 28) providing for more liberal treatment of American steamers carrying the mails. That bill, which is awaiting the action of the House, provides in substance that the compensation of \$4 a mile now allowable to 20-knot trans-Atlantic American mail steamers shall also be allowable to American steamers of not less than 16 knots on routes of 4,000 miles or more to South America, the Philippines, Japan, China, and Australasia. I earnestly recommend its early enactment into law.

Manifest considerations of public policy forbid that we should continue to depend on the irregular service of steamers built abroad, owned abroad, and operated primarily by and for foreign interests. Now, even more than last year, we are dependent on the auxiliary cruisers and merchant vessels of other nations for the means of reaching the Philippines and the markets of Australasia and the Orient. Within two years the number of American steamers crossing the

Pacific and available for carrying the mails has been reduced more than one-half. More liberal compensation to such steamers would appear to be imperative if they are to remain on the seas at all.

In considering the question of additional cost it should be borne in mind that while the expenses of the department as a whole have exceeded the revenues, our international mail service for many years has produced a large surplus.

It would require several years to establish the new mail routes contemplated in the bill (S. 28), for most of the fast steamers required would have to be built. The enactment of the bill would, therefore, involve no large expenditure in the immediate future. Incidentally, the creation and development of new ocean mail lines would promote our export trade and our shipbuilding industry and materially strengthen the auxiliary naval forces of our Government. I believe the American people expect and desire that their ocean mail service shall be equal to that of other nations, and I urgently recommend that Congress aid the department in making it so.

Service on route No. 75, "O. M. S.," San Francisco to Sydney via Honolulu, Pago Pago, and Auckland, which was suspended in March, 1907, has not been resumed; but service on the remainder of the contract routes has been performed to the satisfaction of the department. The total cost of the contract service for the year was \$1,185,148.26, and the net excess of the cost of that service over the maximum amount allowable at the present rates to steamers not under contract is \$626,261.04.

The bids invited June 28, 1907, for contract ocean mail service on route No. 70, "O. M. S.," New York to Habana, resulted in a contract being awarded to the previous carrier, the New York and Cuba Mail Steamship Company, for a period of five years, commencing on November 1, 1907, and the bids invited at the same time for service on route No. 74, "O. M. S.," from Boston and Philadelphia to Port Antonio, Jamaica, resulted in a contract being awarded to the previous carrier, the American Mail Steamship Company, for a period of ten years, beginning July 1, 1908.

INTERNATIONAL SEA POST-OFFICES.

International sea post service has been in operation continuously during the year on the fast steamers of the American, Hamburg-

American, North German Lloyd, and White Star lines between New York and England and New York and Germany, 167 trips having been made from New York and 179 trips from Europe, during which there were distributed 60,107,300 ordinary and 599,896 registered articles, in addition to 48,633 sacks of newspapers, etc.

Negotiations are pending for the establishment of international sea post service on the fast steamers of the Cunard and the French lines plying between New York and England and New York and France, respectively, and it is hoped that the service will be extended to these lines at an early day.

INTERNATIONAL PARCEL POST.

Since my last annual report parcel-post conventions have been negotiated with the Netherlands, effective July 1, 1908; Uruguay, effective July 1, 1908; Italy, effective August 1, 1908; France, effective August 15, 1908; and Austria, effective January 1, 1909; and the parcel-post rate of 20 cents a pound to Bolivia, Chile, Ecuador, and Peru has been reduced to 12 cents a pound, now the uniform parcel-post rate to all countries and colonies with which the department has concluded parcel-post conventions.

The weight of the parcel-post mails dispatched from the United States was 968,513 pounds, consisting of 350,484 parcels, and the weight of the parcel-post mails received was 584,667 pounds, consisting of 200,660 parcels. Of the total weight of parcels dispatched, 211,199 pounds were for Europe and consisted of 161,117 parcels, and of the total weight of parcels received, 435,162 pounds were from Europe and consisted of 145,123 parcels. The parcel post affords the only means, other than by the payment of letter postage, for the exchange of packages of merchandise (except bona fide trade samples) by mail between different countries.

PACKAGES RECEIVED FROM ABROAD BY PARCEL POST.

The Treasury Department experiences difficulty in safeguarding the customs revenues from loss through the importation of valuable articles into this country by parcel post without payment of duty. Our parcel-post conventions with the nations of Europe and some other countries exclude packages exceeding \$50 in value, but in the majority of the conventions there is no such limit. In order that

the parcel-post service may not be seriously hampered committees have been appointed by the Treasury Department and this department to consider the matter jointly, with the view of agreeing upon the best means of eliminating whatever danger there may be to the revenues in handling valuable packages and, if necessary, of uniting in asking Congress for additional legislation to this end.

It is important that our international parcel post should provide for the exchange of parcels up to 11 pounds in weight without regard to the value. The present restriction as to value is out of harmony with parcel-post facilities in other countries and frequently causes the withdrawal from the mails of parcels intended for the United States, and their transmission to this country through the express companies, subject to payment of carrying charges on delivery, thus imposing on the addressees a burden regarded as unjust, since under the parcel post all carrying charges must be prepaid. The international parcel post is one of the necessary conveniences of the times, and we should free its operation from every possible hindrance.

UNIVERSAL POSTAL UNION.

The empire of Ethiopia entered the Universal Postal Union during the year. With that exception there has been no addition to the union.

On the 1st of October, 1907, the Universal Postal Convention of Rome became operative, superseding the Universal Postal Convention of Washington, and our postal-union rate for letters became 5 cents for the first ounce or fraction thereof and 3 cents for each additional ounce or fraction thereof, instead of 5 cents for each half ounce or fraction thereof as theretofore. On the same date the provision of the convention with regard to an indemnity of 50 francs (\$10) for the loss of a registered article, and that also in regard to international reply coupons became operative in so far as the United States service is concerned. The reply coupons are sold in this country for 6 cents each, and are exchangeable, in countries that have agreed to their use, for postage stamps of those countries to the amount of 25 centimes (5 cents) each, thus enabling one to prepay the postage on a reply to a letter which is sent to a foreign country. The advantages afforded by the reply coupons are greatly appreciated by the patrons of the service. During nine months of the fiscal year 228,760 coupons were issued.

NEW YORK HARBOR TRANSFER SERVICE.

The contract for the transfer service in New York Harbor whereby a special mail boat or tender meets the fast mail steamers arriving from Europe at the quarantine station, receives the mails and conveys them as rapidly as possible to the various wharves, whence those for New York City are immediately sent to the New York post-office and those for other places are forwarded to destination at the earliest opportunity, will expire on the 30th of June, 1909. The harbor boat now in use under the contract is inadequate for the present needs. In order to care for the increasing volume of mails arriving by the trans-Atlantic steamers and to provide for a much-needed transfer of mails arriving by the steamers of the Red "D," New York and Cuba, New York and Porto Rico, Panama Railroad and Steamship Company, Lamport & Holt, and other lines, it is imperative to provide two mail boats. Our mails from Central and South American ports should be given the same advantage as those from European ports. In order to provide these facilities an increased appropriation will be necessary, and this has been included in the annual estimates.

TWO-CENT POSTAGE WITH GREAT BRITAIN AND IRELAND.

Negotiations with the Postmaster-General of Great Britain, which were commenced during the year, resulted in the establishment of a 2-cent-an-ounce rate of letter postage between the United States and the United Kingdom of Great Britain and Ireland, beginning October 1, 1908. It is believed that this will ultimately bring about greater postal receipts, as it has been found in the past that every reduction in letter rates resulted, finally, in increasing the revenue. A lower postage rate will prove another bond toward closer social and commercial relations between the two great English-speaking countries. It will also do much to enable our manufacturers to advertise their goods better and thus increase their sales in those countries.

Modern progress is annihilating distance, and revolutionized methods in shipbuilding have made the English markets but a few days from our ports. Cheaper and direct mail service stimulates the business as well as the friendly intercourse of nations, and it should be extended wherever practicable.

RAILWAY MAIL SERVICE.

SERVICE AND EQUIPMENT.

On June 30, 1908, there were 1,575 lines of railway post-offices on railroads, steamboats, and electric cars, operated over a total of 208,481.86 miles of routes. The total number of officers and employees in the service was 15,295. The number of miles traveled by clerks while distributing mails was 288,889,194. The expenditure for the fiscal year on account of officers, clerks, and other items was \$17,373,336.92.

The increase over the preceding year in the amount of mail handled was approximately 5.71 per cent.

During the year there were 4 railway postal clerks and 2 substitute clerks killed and 104 postal clerks and substitutes seriously injured and 536 slightly injured in railroad accidents, a decrease of 15 killed and 21 injured as compared with last year.

Railway post-office car equipment has been kept in good repair and the new equipment has been first class. There were in use and in reserve 5,035 cars and apartments for the distribution of mails. Of these, 1,342 were full railway post-office cars on railroad lines, 3,568 apartments and cars on railroad lines, 22 railway post-office cars on electric and cable car lines, and 103 apartments on steamboat lines.

During the year the railway mail service has been improved by the addition of more than 32,000 miles of railway post-office lines, 12,000 of which are covered by full postal-car service, 5,000 by additional apartment car space upon full postal-car routes, and over 14,000 by apartment car service superseding closed pouch service. The efficiency of the service has been maintained.

During the year there has been a curtailment in the operation of railway post-office cars, made necessary by changes in train schedules, and a reduction in authorized car space to meet the actual needs of the service, the result of economical administration.

Mail service has been established on steamers of the Panama Railroad and Steamship Company between New York, N. Y., and Colon, Panama, the railway post-office maintained thereon being known as the "New York and Canal Zone R. P. O." Clerks are assigned to this line and handle in transit all mails to and from New York, N. Y.,

and post-offices in the Canal Zone. This improvement is regarded as one of importance in caring for mails to and from not only the Canal Zone but the South and Central American countries.

The act of May 27, 1908, making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1909, authorized the Postmaster-General to create an additional division of railway mail service with headquarters at New Orleans, La., and to assign a suitable force of officers and employees thereto. Accordingly, by order of November 10, 1908, such a division was established, embracing the States of Mississippi and Louisiana and such railway post-office lines lying outside of these States as may be assigned thereto.

MADE-UP SECOND-CLASS MATTER.

The work of inducing publishers to sort their publications before mailing, so as to facilitate the handling and expedite the delivery of such matter, has been continued, resulting in an increase of 1.1 per cent in pounds of fully made-up matter.

Reports from 173 of the large post-offices showed that 7,303 publishers mailed 1,342,375 sacks of second-class matter during the month of June, 1908, of which 77.3 per cent was fully made up before mailing and dispatched intact. More than 15 per cent additional was partly made up, and but 7.1 per cent was received from publishers without any separation.

The plan of transporting second-class matter direct from publishing houses in New York City to the various railroad stations, thus avoiding handling in the post-offices, has been extended. During the month of June, 1908, of this class of matter 1,321,362 pounds were weighed at the publication houses and dispatched directly to railroad stations. This was in addition to the daily papers, which in large part were similarly handled.

RELIEF MEASURES.

It is recommended that legislation be enacted providing the following changes in the railway mail service, namely:

That when a clerk is so seriously disabled as not to be able to resume duty at the expiration of twelve months, he may be granted further leave with pay at 50 per cent of his regular compensation during such disability for not exceeding twelve additional months.

That railway postal clerks be allowed leave of absence with pay, under such regulations as the Postmaster-General may prescribe, for a period not exceeding thirty days, and in case of sickness thirty additional days, in any one year, with the understanding that their duties shall be performed without expense to the Government during the period for which this leave is granted, the clerks to provide substitutes at their own expense to perform such duties.

I commend for the careful consideration of Congress these additional subjects as soon as the postal revenues justify:

Provisions for an allowance for traveling expenses of railway postal clerks while away from their homes and the initial points of their runs and in the discharge of their duties.

Suitable provision for the retirement of railway postal clerks who have or may become unfit for active service by reason of physical disability incurred in line of duty.

NEW DIVISION.

The rapid growth of the section of country embraced in the States of Washington, Oregon, and Idaho, and the Territory of Alaska renders it advisable to create a new division of Railway Mail Service in that section, and I recommend that Congress make suitable provision therefor.

INSPECTION AND CERTIFICATION.

During the fiscal year ended June 30, 1908, the gross amount of fines and deductions from the pay of postal contractors and others was \$1,045,062.06; the amount of remissions on account of satisfactory explanations was \$269,607.26, leaving a net total of fines and deductions amounting to \$775,454.80.

It is expected that during the coming year the department will be able to arrange to make payments for the transportation of the mails by railroad and electric-car companies monthly instead of quarterly, as heretofore. Other classes of mail-transportation service are paid for monthly, and it is believed that the change contemplated will be decidedly in the interest of good service.

EQUIPMENT.

During the fiscal year ended June 30, 1908, the amount expended for mail bags, etc., and for repair of the same, was \$445,029.35; for

mail locks, keys, etc., including repair of the same, \$45,205.41. During the year 338,848 pouches and sacks of all kinds were purchased, being 27,011 more than during the previous fiscal year, while 99,462 pieces of equipment were condemned as unfit for further use. Sacks to the number of 301,635 were issued to the Executive Departments and offices in Washington. The estimated number of mail pouches and sacks in use and in reserve June 30, 1908, was 2,238,891.

In recent years various improvements have been made in mail equipment, and during the past fiscal year specifications were issued inviting propositions looking to improvements in mail pouch and sack opening and closing devices. The committee which examined the models submitted has suggested that a test be made of a special pouch prepared in the department. The pouch is lighter in weight than the one now used in the service. It is the constant desire of the department to produce lighter equipment, so as to effect a saving in the cost of mail transportation.

The heavy demands for mail sacks and pouches during the Christmas holiday season render it necessary to carry a large proportion of the mail equipment in storage during a considerable part of the year; hence as the storage facilities at post-offices are limited, the problem is one difficult of solution. During the past year it has been necessary to make special arrangements at Rochester, N. Y., and Indianapolis, Ind. The post-office at Boston, Mass., uses large quantities of mail equipment. The accommodations at that place are so limited that barely more than a single carload can be stored at a time. In order that the Boston office and the New England States can be adequately supplied, it will be necessary to arrange for additional space in or near the Boston post-office.

ISSUE OF POSTAGE-STAMPED PAPER.

The total number of ordinary, postage-due, and special-delivery stamps, stamped envelopes, newspaper wrappers, postal cards, and international reply coupons issued during the year was 9,772,059,664, and of stamp books, 18,213,310. The revenue value of these issues was \$176,974,190.24, an increase of \$3,967,713.97 over 1907.

A postal card of new design was described in the last annual report, the object being to provide a space for messages on the address side. It was put on sale in the fiscal year 1908, and so popular has it become that it already forms half the number of cards issued.

SHIPMENT OF STAMP SUPPLIES BY FREIGHT.

Energetic effort has been made to carry out the provision of the post-office appropriation act of March 2, 1907, requiring that prior to the mail weighings in each section stamped envelopes and postal cards shall be withdrawn from the mails, when in freightable lots and whenever practicable, and thereafter shipped by freight or express. To that end distributing depots are being established in centrally located post-offices in the section in which the mails are to be weighed. It has not been deemed practicable to ship cards or envelopes by freight in less than carload lots because of the danger of depredations if such valuable supplies were shipped in freight cars with mixed assortments of merchandise and were accessible to all the persons entering the cars. Cards, ordinary stamped envelopes, and stamped wrappers are also being shipped by freight to the cities having sufficient postal business to enable the postmasters to handle carload lots.

STAMPED ENVELOPES AND POSTAL CARDS.

The stamped-envelope contract was awarded to a new contractor for the four-year term beginning July 1, 1907. The envelopes furnished are up to standard, and orders are being filled promptly.

The central location of the factory at Dayton, Ohio, is a matter of some importance in the saving of transportation of the envelopes by mail and freight.

From an administrative standpoint there are many reasons why the Government should make its own stamped envelopes and print its postal cards. In no other way can thoroughly satisfactory supervision be secured.

POSTAL MONEY-ORDER SYSTEM.

That the convenience and security of the postal money-order system are appreciated by the public is evidenced by the constant increase in the number of domestic money-order transactions. During the fiscal year 1908 there was an increase of nearly 3,000,000 in domestic orders. The total value of domestic orders was \$498,699,637.49, or \$19,049,294.85 more than the previous year. The increase in international orders was 71,504, in the sum of \$4,891,677.25. The fees for issuing money orders amounted to more than \$4,700,000.

The gain on foreign exchange purchased for the year in the settlement of foreign money-order balances was \$324,244.03.

The department increased the number of money-order offices from 37,572 to 43,313 during the year.

It has not been practicable up to this time to make all post-offices money-order offices, but no effort will be spared to extend the system so that in time its introduction will be coincident with the establishment of a post-office, and the transaction of money-order business will be a part of the duties of every postmaster.

PROPOSED POSTAL NOTE.

The unceasing demand for the introduction of a postal note such as would enable the public more cheaply and conveniently to transmit through the mails sums of money not exceeding \$2.50 impels me to renew my recommendation of last year that a postal-note bill be enacted into law at the coming session of Congress.

"ADDITIONAL CONDITION" IN BONDS OF POSTMASTERS AT MONEY-ORDER OFFICES SHOULD BE ELIMINATED.

As was pointed out in my last annual report, no necessity exists for the "additional condition" forming a part of the bonds of postmasters at money-order offices, and I therefore concur in the Third Assistant Postmaster-General's recommendation that section 3834 of the Revised Statutes be amended by striking therefrom the following words:

"and where an office is designated as a money-order office, the bond of the postmaster shall contain an additional condition for the faithful performance of all duties and obligations in connection with the money-order business."

IMPROVEMENTS IN THE REGISTRY SYSTEM.

The past fiscal year has brought improvements in the registry service, among which may be mentioned the discontinuance of the registry "gray card bill," saving considerable money and labor; the introduction of a new form of window registration receipt as a time saver to the public in registering mail; indemnity for loss of registered articles in the foreign mails; and provision for handling registered mail on board United States naval vessels.

The rate of loss of domestic registered mail, based upon the number of cases in which recovery was impossible and excluding those in which no financial loss occurred, was one in every 13,174.

The aggregate registrations, letters and parcels, paid and free, for the year was 41,312,855, an increase of 3,057,206, or 7.99 per cent.

IMMEDIATE PAYMENT OF INDEMNITY.

In perfecting arrangements for the payment of indemnity for the loss of domestic registered mail immediately upon proof of loss, without waiting until responsibility is fixed, it was ascertained through a decision of the Comptroller of the Treasury that under existing law any collections made after the payment of indemnity would have to be deposited in the Treasury as a part of the postal revenues. The Congress was therefore urged, without success, to enact legislation permitting the deposit of the collections to the credit of the appropriation from which payment is made. The Congress, however, increased the appropriation, and under this new policy it is expected that during the current fiscal year every old indemnity claim will be settled, so that thereafter nothing but new cases will be outstanding.

A large proportion of the loss of registered matter for which payment of indemnity was approved during the year was chargeable to railway wrecks. During the previous year the largest proportion of such loss was due to burglaries.

VALUE OF SERVICE FOR WHICH DEPARTMENT RECEIVES NO REVENUE.

The special weighing of the mails of 1907 shows that the department carried free for the other executive departments during the past fiscal year mail matter which, if mailed by the public at regular rates, would have yielded a revenue to the department of \$20,000,000. As this service assists the administration of the Government, it inures to the benefit of the entire people.

It also shows that the department carried periodicals free in the county of publication which, if paid for by the publishers at the same rate as other second-class matter, would have yielded the department a revenue of \$531,560.94 per annum.

The department handles second-class matter at an approximate average cost of 8½ cents per pound, for which it receives a revenue of

1 cent per pound. As there were 746,357,282 pounds of second-class matter—free-in-county and paid—carried during the fiscal year, the department performed a service the value of which was approximately \$57,000,000 without a specific money return for the cost involved.

SECOND-CLASS MAIL MATTER.

The ordinary rate on this class of matter is 1 cent per pound, bulk weight, from one point to any other within our own territory and insular possessions, and to Mexico and Cuba.

The report of the special weighings of the mail under authority of Congress from July 1, 1907, to December 31, 1907, separates mail matter and the revenue derived therefrom into the following relative proportions:

First-class mail matter contributes 12.81 per cent of the weight of the mail carried and yields 75.74 per cent of the revenue.

Second-class mail matter contributes 63.91 per cent of the weight of mail carried and yields 5.19 per cent of the revenue.

Third-class mail matter contributes 14.61 per cent of the weight of mail carried and yields 14.63 per cent of the revenue.

Fourth-class mail matter contributes 4.79 per cent of the weight of mail carried and yields 4.44 per cent of the revenue.

Congressional franked matter contributes 0.37 per cent of the weight of mail carried and yields no revenue.

Departmental penalty matter contributes 3.51 per cent of the weight of mail carried and yields no revenue.

Second-class mail matter, therefore, contributes approximately 64 per cent of the total weight of mail carried, yet directly earns only about 5 per cent of the revenue. It is known, however, that second-class matter is instrumental in originating a large amount of other classes of mail matter.

The charge for carrying second-class mail matter was intentionally fixed below cost for the purpose of encouraging the dissemination of information of educational value to the people, and the benefit of the cheap rate of postage is passed on to the subscriber in a lower subscription price than would otherwise be possible. That the Congress never intended that the law granting this low rate of postage should become the means of flooding the mails with trashy publications, issued principally for advertising purposes, is shown by

the language of the law itself, which requires that a publication, to be admissible to the second-class rates, must, among other things, have a "legitimate list of subscribers," and provides that nothing contained in the act "shall be so construed as to admit to the second-class rate regular publications designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates."

Great abuses sprang up, nevertheless, and the department has endeavored to eliminate them.

The greatest abuses with which the department has had to contend had their origin in the circulation of so-called sample copies almost without restriction, and the carrying of expired subscriptions upon which to base a privilege for more sample copies. Examinations have shown instances in which only about 3 per cent of the claimed legitimate list of subscribers of a publication was paid to a current date. In such cases large "circulation" was claimed, but such circulation, manifestly for the purpose of securing high advertising rates, consisted almost entirely of expired subscriptions and sample copies.

To effect real reform and to attempt to restore the second-class mailing privilege to the status the law originally intended it should occupy it was necessary to strike at the root of the evil. Regulations were issued allowing publishers a reasonable time to secure renewals of subscriptions and providing that unless subscriptions were expressly renewed after the term for which they were paid (within periods specified and according to the frequency of issue of the publication) they should not be counted in the legitimate list of subscribers, and limiting the sample copies to a 10 per cent cumulative privilege based on actual mailings to legitimate subscribers.

These regulations were carefully considered from the standpoint of their consistency with the law and of their effects on the legitimate publisher. There was no desire to subject publishers to hardship, or to deny them any right consistent with a natural and reasonable construction of the statute governing the second class of mail matter. The amendments to the regulations were framed in the firm conviction that they would prove of little or no embarrassment to publishers generally, but, on the contrary, would be of real benefit and assistance to them as well as to the Post-Office Department.

During the past year the department has endeavored to conduct a campaign of education among publishers in regard to the second class

of mail matter. Heretofore publishers as a whole have possessed but meager information in regard to the postal laws and regulations upon the subject. The department has availed itself of every opportunity to place authentic information in the hands of publishers, and the subject has been given as much publicity as possible through addresses to press associations, pamphlets, correspondence, etc. Such of the postal laws and regulations as pertain to the second class of mail matter have been printed in pamphlet form for free distribution. Every publisher in the United States and its possessions, whose publication is entered as second-class matter as well as every post-office in the United States at which second-class matter is entered has received one or more copies of this pamphlet. Furthermore, every such publisher has been furnished with a copy of a pamphlet issued as a public document setting forth the policy of the department regarding second-class mail matter and an explanation of its order above mentioned amending the regulations pertaining thereto.

That the confidence of the department as to the reception of the regulations and their effect upon legitimate publishers' interests was not misplaced is shown by the fact that the legitimate publishers, with rare exceptions, have strongly indorsed the position of the department. This has been manifested not only by hundreds of letters from individual publishers, but by resolutions of approval from most of the editorial and newspaper and periodical publishers' associations of the country, as well as from associations of advertisers, merchants, and manufacturers, and even people not publishers have written letters of commendation.

While the department will not attempt to deprive any publication of its second-class status when entitled thereto, the publishers who try to abuse the privilege will be compelled to obey the law.

RESULTS ACCOMPLISHED UNDER THE NEW SECOND-CLASS MAIL REGULATIONS.

The results accomplished under the new regulations covering second-class mail matter have been greater than were hoped for. During the fiscal year there were mailed 694,865,884 pounds of second-class matter upon which postage was paid at the cent-a-pound rate, yielding a revenue of \$6,948,658.84, a decrease of 18,079,292 pounds in weight and of \$180,792.90 in revenue. There was also

a net decrease of 758,974 pounds of free-in-county matter. For the previous five years there had been an average annual increase of 51,758,564 pounds of paid and free matter combined. This shows that there was a decrease of nearly 70,000,000 pounds of second-class matter as the result of only six months of actual experience under the new regulations. This was a real benefit to legitimate publishers, and resulted in taking out of the mails an excess of sample copies circulated for purely advertising purposes contrary to the law granting the cent-a-pound rate.

While this decrease in the annual weight of second-class matter resulted in a reduction of \$180,000 in the revenue, its beneficial result, if it be maintained, will be reflected in a reduction in the cost of transportation, that will much exceed the reduction in revenues.

While the new regulations have taken out of the mails millions of copies of publications not entitled, under the law, to be carried at the second-class rate of postage, and still further progress can be made by careful administration, there remain some grievous abuses which can be ended only by legislation.

AMENDMENT TO POSTAL CONVENTION BETWEEN THE UNITED STATES AND CANADA.

On May 8, 1907, the agreement between Canada and this country, which provided for the transmission of second-class matter originating in either country and addressed for delivery in the other at the same rates as if addressed for domestic delivery, was terminated at the instance of the Canadian postal administration.

Under the new arrangement which then went into effect the postage rate applicable to second-class matter in each country addressed for delivery in the other was 1 cent for each 4 ounces or fraction thereof, calculated on the bulk weight of each package and prepaid by stamps affixed.

The Canadian administration, however, has since consented to a restoration of the former privileges, in so far as newspapers published as frequently as six times a week are concerned, and our daily publications may now be mailed to Canada at the rate of 1 cent per pound.

Arrangements have been made permitting American publishers of other than daily newspapers to have their publications accepted for

mailing at certain stipulated Canadian post-offices at the applicable Canadian second-class postage rates, provided such publications are deemed "legitimate" by the Canadian authorities. Canadian publishers have been accorded similar privileges in this country. The publisher is obliged to convey his mailings to the office of entry in the other country at his own expense.

The present arrangements with Canada are not entirely satisfactory to this department, which is anxious to secure complete restoration of the old conditions. However, the department has greatly assisted American publishers by securing a partial restoration.

FOURTH-CLASS MAIL MATTER.

The attention of the Congress is again invited to the recommendation for a reduction in the rate and an increase in the weight limit for fourth-class matter in order to remove an unjust discrimination to our own people. The rate to foreign countries is 12 cents a pound, while to any point in the United States it is 16 cents a pound.

The six months' weighing of the mails authorized by the Congress demonstrated that the average weight of parcels of fourth-class matter conveyed through the mails was 5.44 ounces.

PERFORATING POSTAGE STAMPS FOR IDENTIFICATION PURPOSES.

Representations having been made by individuals, firms, and commercial organizations of serious loss through the pilfering of postage stamps by those having access to the supply on hand, purchasers of stamps were authorized by an order dated May 4, 1908, to perforate or puncture their stamps with letters, numerals, or other marks or devices, not exceeding one thirty-second of an inch in diameter, and the whole space occupied by the identifying device not to exceed one-third of an inch square, for the purpose of identification and protection from theft, but not for advertising.

REDEMPTION OF STAMPED PAPER.

The value of postage stamps, stamped envelopes, newspaper wrappers, and postal cards redeemed from postmasters and destroyed during the fiscal year was \$734,211.12, consisting of 16,699 claims. This represents an increase compared with the preceding year of 1,659 in the number of claims and \$89,818.77 in value.

POSTAL DEPOSITARIES.

Arrangements have been effected whereby, since July 1, 1908, all postmasters are depositing their surplus postal funds with a selected postmaster in each State instead of with the assistant treasurers of the United States. This method of deposit furnishes additional funds to these selected postmasters for the payment of salaries to employees of the rural-delivery service and will greatly reduce the number and amount of monthly advances heretofore required by such postmasters. Surplus postal funds now reach the Treasurer and assistant treasurers through the disbursing postmasters.

REVISION OF ACCOUNTING METHODS.

The subject of revising the departmental accounting methods has been given very careful consideration, in view of the recommendations made by the accountants in the preliminary report of February 10, 1908, of the Joint Commission on Business Method of Post-Office Department and Postal Service. Although the Congress has not authorized the clerical and administrative facilities to enable this department to maintain an adequate administrative audit, it was determined to inaugurate a complete system of double-entry bookkeeping covering the fiscal operations of the department. Accordingly, an accounting section of the Division of Finance has been created and is in successful operation, in which books of accounts are kept by double-entry or proof methods, showing the revenues and expenditures of the postal and money-order services, and all items of resource and liability relating thereto. The data as obtained from administrative sources in the department are treated tentatively, pending the certification of the accounts audited and settled by the Auditor for the Post-Office Department. It is hoped to extend the work to statistical information based upon analyses of expenditures and revenues in their relation to each other and as to the functions of a public-service institution.

SUPPLIES FOR THE POSTAL SERVICE.

The reorganization of the Division of Supplies was completed during the year and requisitions for stock supplies are now filled within twenty-four hours after receipt. A large amount of the correspondence formerly conducted by the division has been eliminated, and the

number of employees reduced 20 per cent. Congress made appropriations amounting to \$1,715,060 for the various items handled by this division during the current fiscal year, representing an increase of 35 per cent over last year. With these increased appropriations it is possible to keep an adequate stock of supplies on hand, so that the needs of the service can be met fully and promptly. No increase over the current appropriations has been requested in the estimates for 1910.

An investigation was recently made by the Purchasing Agent and the superintendent of the Division of Supplies to determine the feasibility of purchasing in the larger cities the supplies used in the local offices of the postal service and of establishing supply branches at points outside of Washington. It was found that purchases could not be made as advantageously as under the present scheme, which provides for the delivery of the bulk of general supplies at Washington. The department would suffer a distinct loss in the purchase of supplies locally, the prices being on an average about 40 per cent in excess of those paid under existing contracts.

During the year regulations were promulgated fixing more clearly the functions of the Purchasing Agent and the bureau officers in ordering supplies and keeping accounts in connection therewith.

DIVISION OF DEAD LETTERS.

Improvement in methods and increased efficiency of personnel, due to progressive reorganization, made it possible to restore to the senders all the undelivered letters received during the year from which their names and addresses could be ascertained, and on the last day of the fiscal year every piece of mail matter then received had been opened and treated, an unprecedented achievement.

The total number of pieces of mail matter received during the year was 13,145,172, an increase of 139,917 pieces. There were returned to senders 7,202,684 letters and parcels, an increase of 1,976,892.

In order to promote a more general use of the sender's return card on letters a form giving a model address has been sent out with each returned letter.

SAVINGS IN PURCHASES.

During the fiscal year ended June 30, 1908, there were negotiated by the Purchasing Agent 163 formal contracts. Of this number 146

were for furnishing general or miscellaneous supplies for the Post-Office Department and postal service during the fiscal year beginning July 1, 1908. Owing to a decrease in the market price of raw materials and greater competition among manufacturers and dealers, the prices at which many articles are being furnished under these contracts are much lower than prices previously paid for the same articles.

The amount of the contracts for miscellaneous supplies for the fiscal year ended June 30, 1908, based on the estimated quantities given in the specifications, was \$755,193.54, while the amounts of the contracts for the same quantity and kind of supplies for the current fiscal year is \$542,874.48—a saving to the department of \$212,319.06.

The other contracts negotiated during the fiscal year were for supplies used in large quantities by the postal service. All of these were made for a term of four years, except the contracts for facing slips, which were made for one year. The prices at which these supplies are being furnished under the new contracts do not differ materially from the prices named in the former contracts for the same articles.

DIVISION OF POST-OFFICE INSPECTORS.

During the past fiscal year inspectors visited Mexico, Canada, Guam, and the Philippine Islands for the purpose of securing evidence in the prosecution of offenders against the postal laws.

The sea post service in and out of New York was inspected from port to port, and much improvement in the handling of trans-Atlantic mails will result.

The inspection force investigated 312,138 cases of all kinds during the year, which was an increase of 20,980 over the total number investigated in 1907. Of this number 16,595 cases related to registered mail matter, 135,299 to ordinary mail matter, and 41,700 to complaints affecting the postal service or employees, while 7,725 were investigations in connection with the establishment and inspection of rural delivery service, and the remainder were miscellaneous cases relating to depredations, the investigation of foreign mail losses, inspection of post-offices, etc.

The collections made by post-office inspectors during the year aggregated \$632,546.09, covering loss or rifling of or damage to mail, wrong payments of money orders, shortages in postal or money-order ac-

counts, penalties for violations of the regulations, sums due the Government on account of false returns of cancellations, etc.

The number of burglaries of post-offices reported increased from 2,647 in 1907 to 3,304 in 1908, about 25 per cent, while the arrests for the two years numbered 1,984 and 2,548, respectively, an increase of 28 per cent.

PAY OF INSPECTORS.

Attention is invited to the recommendation of last year that the salaries of inspectors be increased substantially to meet the compensation which men of like ability and responsibility can command elsewhere, and this should be done as soon as the postal revenues will justify it.

USE OF THE MAILS FOR UNLAWFUL PURPOSES.

During the year there were 242 citations to appear and answer charges of illegal use of the mails. Of the 230 fraud orders issued 23 were supplemental to previous orders and intended to reach those concerns which, having been declared fraudulent, were seeking to continue their operations under new names, and 23 were against foreign lottery concerns and their agents, who were ascertained to be using the mails of the United States in the promotion of lottery enterprises.

In recent years the Post-Office Department has endeavored to apply the law to all grades and classes of unlawful enterprises, whether great or small. This course has aroused the intense antagonism of swindlers throughout the country who carry on their operations through the mails upon an extensive scale. They have endeavored to have the existing law authorizing the issuance of fraud orders either repealed or so amended as almost totally to destroy its efficiency in safeguarding the interest of the people.

It has been the purpose of this department to make these fraudulent concerns realize that the laws must be obeyed by all, and it will not be deterred therefrom by the criticisms of the dishonest or misinformed.

BILLS FOR INJUNCTION.

During the year four applications were made to the Federal courts for the process of injunction to restrain the enforcement of fraud orders issued to postmasters under the authority of the act of Septem-

ber 19, 1890, and section 4 of the act of March 2, 1895, forbidding the delivery of mail and the payment of money orders to persons and concerns found to be conducting lotteries and fraudulent schemes. In three of these cases the application for injunction was denied upon preliminary hearing, while in the fourth case the suit was withdrawn by the complainant before the time fixed for the hearing.

OBSCENE AND INDECENT MATTER.

The policy of applying and enforcing more strictly the statute prohibiting the transmission in the mails of publications or other matter containing obscene or suggestive illustrations or advertisements has accomplished highly beneficial results.

By the act approved May 27, 1908, making appropriations for the service of the Post-Office Department, it is provided :

That section 3893 of the Revised Statutes of the United States be, and the same is hereby, amended by adding thereto the following: "And the term 'indecent' within the intendment of this section shall include matter of a character tending to incite arson, murder, or assassination."

On June 12, 1908, a general circular of instructions was issued to postmasters for their guidance in the enforcement of this provision. The beneficial effects of this enactment are already seen, although it has been in force only about five months, and there has been no indication that the statute has worked injustice or undue hardship upon any person or interest.

CLAIMS OF POSTMASTERS FOR REIMBURSEMENT FOR LOSSES SUSTAINED.

By the acts of Congress, approved June 11, 1896, and May 9, 1898, the Postmaster-General is authorized to reimburse postmasters in sums not exceeding \$10,000 for losses of government funds resulting from "fire, burglary, or other unavoidable casualty" at their respective post-offices, and for losses of such funds in transit from postmasters to their designated depositaries. The Assistant Attorney-General is required by the postal regulations to make examination of this class of cases and advise the Postmaster-General as to their allowance. The number of such claims received during the fiscal year just closed was 1,242, an increase of 103. The number of claims allowed was 865, a decrease of 28.

FINANCIAL STATEMENT.

The following is a statement of the department's finances:

The receipts for the year were \$191,478,663.41; the expenditures \$208,351,886.15; the excess of expenditures over receipts, \$16,873,-222.74.

Comparison of receipts and expenditures for the fiscal year ended June 30, 1908, with those of the previous year.

	1907.	1908.
RECEIPTS.		
Ordinary postal revenue.....	\$179,845,291.28	\$187,531,849.63
Receipts from money-order business.....	8,739,714.29	8,946,813.78
Total receipts from all sources.....	188,585,005.57	191,478,663.41
EXPENDITURES.		
Expenditures on account of the year.....	189,935,242.79	207,528,222.11
Expenditures on account of previous years.....	308,045.56	828,664.04
Total expenditures during the year.....	190,238,288.34	208,351,886.15
Total receipts during the year.....	188,585,005.57	191,478,663.41
Total excess of expenditures over receipts	6,658,282.77	16,873,222.74

POSTAL REVENUE IN DETAIL.

The postal revenue for the year from all sources was as follows:

Sales of stamps, stamped envelopes, newspaper wrappers, and postal cards	\$173,374,712.02
Second-class postage (pound rate) paid in money.....	6,950,506.75
Box rents	3,833,303.55
Revenue from money-order business.....	3,677,755.44
Third and fourth class postage paid in money.....	8,083,943.45
Letter postage paid in money, principally balances due from foreign postal administrations.....	107,482.11
Fines and penalties.....	101,272.01
Miscellaneous receipts.....	93,985.68
Receipts from unclaimed dead letters.....	36,644.06
Unpaid money orders more than one year old.....	269,058.84
Total receipts	191,478,663.41

The first item of postal revenue above enumerated (sales of stamps, etc.) includes the amount of special-delivery stamps sold, as well as stamps sold for the payment of registry fees. The amount of stamps sold during the year for use in the payment of registry fees doubtless approximates the amount used during the year for such fees, viz,

\$2,889,912.80. The estimated amount of special-delivery stamps sold, based upon the amount of the fees paid for special delivery of mail during the year, is \$1,098,761.11.

EXPENDITURES IN DETAIL.

The expenditures of the postal service for the year are shown, by items, in the following statement:

Transportation of mails on railroads.....	\$43,588,012.70
Rural delivery	34,355,209.04
Compensation to assistant postmasters and clerks in post-offices.....	30,903,351.75
City delivery	26,343,201.19
Compensation to postmasters.....	25,599,397.52
Railway Mail Service.....	17,373,338.92
Transportation of mails on star routes.....	7,125,025.30
Railway post-office car service.....	4,567,366.25
Rent, light, and fuel for first, second, and third class post-offices.....	3,193,820.94
Transportation of foreign mails.....	2,844,679.63
Mail-messenger service	1,416,300.19
Transportation of mails—wagon service.....	1,319,017.18
Special-delivery service.....	1,108,164.35
Manufacture of stamped envelopes.....	1,094,100.49
Post-office inspectors	1,060,847.90
Transportation of mails—electric and cable cars.....	791,733.33
Transportation of mails on steamboats.....	763,333.75
Manufacture of postage stamps.....	494,046.04
Transportation of mails—pneumatic-tube service.....	482,812.62
Mail bags, cord fasteners, label cases, etc.....	447,500.00 ✓
Payment of money orders more than one year old.....	378,010.97
Wrapping twine	280,378.09
Cancelling machines	274,011.09
Miscellaneous items at first and second class post-offices.....	254,637.37
Freight and expressage on supplies.....	211,497.07
Blanks, blank books, etc., for money-order service.....	198,968.65
Registered package, tag, official, and dead letter envelopes.....	197,178.74
Manufacture of postal cards.....	180,152.98
Balances due foreign countries.....	138,052.82
Stationery	94,059.75
Typewriters, copying presses, etc.....	78,699.74
Supplies, city-delivery service.....	67,050.60
Mail locks and keys.....	44,736.10 ✓
Buildings for use of Post-Office Department.....	43,511.31 ✓
Facing slips, etc.....	42,746.36
Shipment of supplies.....	40,674.99

Postmarking, rating, and money-order stamps.....	\$34, 979. 79
Assistant superintendents, division of salaries and allowances..	30, 747. 03
Distribution of stamped envelopes.....	21, 004. 47
Expenditures under 16 smaller items of appropriation (less than \$20,000 each).....	45, 867. 10
Total expenditures for the year.....	207, 528, 222. 11
Receipts for the year.....	191, 478, 663. 41
Excess of expenditures over receipts.....	16, 049, 558. 70
Expenditures on account of previous years.....	823, 664. 04
Total excess of expenditures over receipts.....	16, 873, 222. 74
Amount of loss by burglary, fire, bad debts, etc.....	37, 056. 25
Gross deficit for fiscal year ended June 30, 1908.....	16, 910, 278. 99

THE DEFICIT AND SALARY INCREASES.

This deficit of \$16,910,278.99 is the largest in the history of the Post-Office Department. The increase in the revenues of the fiscal year 1907 over those of the fiscal year 1906 was \$15,652,222.62, or 9.32 per cent. The fiscal year 1908 showed an increase in receipts over 1907 of \$7,893,657.84, or 4.29 per cent.

The increases authorized by the Congress in the rate of pay to rural carriers, post-office clerks, railway mail clerks, etc., for the fiscal year 1908 over the fiscal year 1907, as shown by the report of the Auditor for the Post-Office Department, amounted to \$9,891,321.92. Without these increases in salaries the deficit would have been but \$320,925.60 more than the previous year.

If the usual percentage of increase in receipts had been maintained, the revenue in 1908 would have exceeded that in 1907 by \$17,110,122.51. This sum, added to the total revenue of 1907, would have amounted to \$200,695,128.08, which represents the revenue the department would probably have secured but for the intervening financial depression. With these receipts there would have been a deficit of \$7,656,758.07, but without the increases in salaries named below there would have been a surplus of receipts over expenditures of \$2,234,563.85.

The average pay of railway postal clerks was increased by \$65.97, resulting in the expenditure of \$1,009,080.37 more than would have been paid had the average salary remained the same as in 1907.

The average pay of rural carriers was increased by \$168.48, resulting in the expenditure of \$6,594,837.18 more than would have been paid had the average salary remained the same as in 1907.

The average pay of city letter carriers was increased by \$53.72, resulting in the expenditure of \$1,415,609.64 more than would have been paid had the average salary remained the same as in 1907.

The average salary of post-office clerks and assistant postmasters was increased by \$27.89, resulting in the expenditure of \$871,794.73 more than would have been paid had the average salary remained at the 1907 rate.

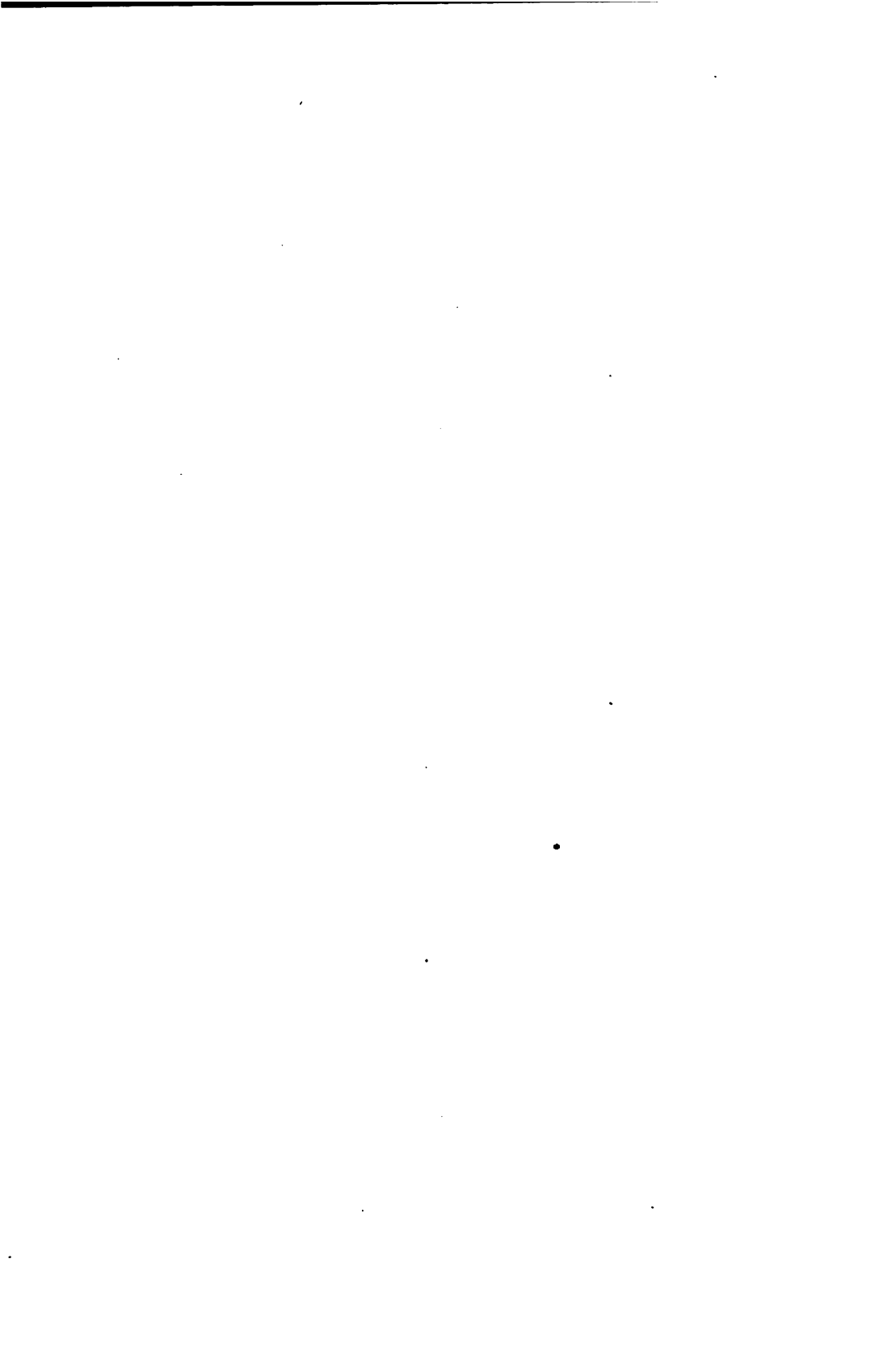
GROWTH OF THE SERVICE BY YEARS.

The following table shows the receipts, expenditures, and appropriations for the postal service by fiscal years since 1892, with the increase each year by amounts and percentages:

Fiscal year.	Receipts.	Increase over previous year.	Per cent of increase.	Expenditures, postal service.	Increase over previous year.	Per cent of increase.	Appropriations, postal service.	Increase over previous year.	Per cent of increase.
1892..	\$70,930,475	\$4,998,690	7.58	\$76,980,846	\$3,921,327	5.36	\$77,907,222	.....	.....
1893..	75,896,933	5,066,457	7.14	81,581,681	4,600,835	5.97	79,829,115	\$1,921,893	2.46
1894..	75,080,479	a 816,454	a 1.07	84,994,111	3,412,430	4.18	84,004,814	4,175,199	5.23
1895..	76,983,128	1,902,649	2.53	87,179,551	2,185,440	2.57	87,236,599	3,232,285	3.84
1896..	92,499,208	5,516,080	7.16	90,932,669	3,753,118	4.30	89,545,997	2,309,398	2.64
1897..	82,665,462	166,254	.20	94,077,242	3,144,573	3.45	92,571,564	3,025,567	3.37
1898..	89,012,618	6,347,155	7.67	98,033,523	3,956,281	4.20	95,665,338	3,093,774	3.34
1899..	95,021,384	6,008,766	6.75	101,632,160	3,598,637	3.67	99,202,300	3,536,962	3.69
1900..	102,354,579	7,333,195	7.71	107,740,267	6,108,107	6.01	105,627,138	6,424,838	6.47
1901..	111,631,193	9,276,614	9.06	115,554,920	7,814,658	7.25	113,658,238	8,031,100	7.63
1902..	121,848,047	10,216,854	9.15	124,785,697	9,230,777	7.98	123,782,688	10,124,450	8.90
1903..	134,224,443	12,376,896	10.15	138,784,487	13,998,790	11.21	138,416,598	14,633,910	11.82
1904..	143,582,624	9,358,181	6.97	152,362,116	13,577,629	9.78	153,511,549	15,094,951	10.90
1905..	152,826,585	9,243,961	6.42	167,899,169	15,037,053	9.86	170,845,998	17,334,449	11.28
1906..	167,932,782	15,106,197	9.88	178,449,778	11,050,609	6.60	181,022,093	10,176,095	5.95
1907..	183,585,005	15,652,223	9.32	190,238,288	11,788,510	6.60	191,670,998	10,648,905	5.88
1908..	191,478,663	7,893,658	4.29	208,351,886	18,113,598	9.52	211,654,393	19,983,395	10.42
1909..	.....	.....	.....	.....	.....	.....	222,960,892	11,306,499	5.84

a Decrease.

GEORGE V. L. MEYER,
Postmaster-General.



REPORT
OF THE
ASSISTANT ATTORNEY-GENERAL FOR
THE POST-OFFICE DEPARTMENT
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

REPORT

OF THE

ASSISTANT ATTORNEY-GENERAL FOR THE POST-OFFICE DEPARTMENT.

OFFICE OF THE ASSISTANT ATTORNEY-GENERAL
FOR THE POST-OFFICE DEPARTMENT,
Washington, September 28, 1908.

SIR: I have the honor to submit the following report of the operations of this office for the fiscal year ended June 30, 1908.

In some branches the volume of work during the fiscal year 1908 has not been so great as during the year immediately preceding, but these decreases have been more than counterbalanced by added labor in other directions. Thus, while there is shown a diminution of 203 in the number of opinions rendered as compared with the fiscal year 1907, the increase in the fraud orders issued over the number for that year was nearly 50 per cent.

This increase, however, is not to be taken as meaning that the use of the mails for purposes of fraud has increased, for there can be no question that quite the contrary is true. This is shown by the marked diminution in the volume of complaints received from the public, as well as by the reduced number of cases reported upon by the division of post-office inspectors. The explanation is simply that, taking advantage of the reduction in the number of opinions required and of the decreased work in one or two other directions, the office has of its own initiative instituted inquiries and disposed of cases involving unlawful use of the mails, which in the previous year it would have been impossible for it to have done because of lack of time.

FRAUDULENT SCHEMES AND LOTTERY ENTERPRISES.

By section 3929 of the Revised Statutes, as amended by the act of September 19, 1890, the Postmaster-General is authorized, upon evidence satisfactory to him that any person or company is engaged in conducting through the mails a lottery or similar enterprise, or a scheme for obtaining money or property by means of fraudulent pretenses or false representations, to direct the postmaster at any post-office at which registered letters may arrive addressed to such persons or company to return such letters, stamped "Fraudulent," to the writer thereof. Section 4041, as amended by the same act, empowers the Postmaster-General to forbid the payment of money orders drawn to the order of any person or company found to be using the mails in the conduct of a lottery or fraudulent scheme, and to provide by regu-

lation for the repayment to the remitters of the sums named in such money orders. By the act of March 2, 1895, section 4, the provisions of section 3929 as amended are extended to "all letters or other matter sent by mail."

By regulation, the duty of considering the evidence gathered by post-office inspectors tending to establish that the mails are being used in the conduct of lotteries or fraudulent schemes is assigned to the Assistant Attorney-General. To him, accordingly, are forwarded the reports of inspectors showing the results of their investigations. These reports and the evidence submitted with them are carefully examined, and in those cases in which it is indicated *prima facie* that the mails are being used in contravention of the statutes, the party seemingly chargeable with the violation is furnished with a statement or memorandum setting forth the scheme in brief, and informed that on a day stated he will be afforded opportunity to make answer to the allegations, also contained in said memorandum, that he is conducting an enterprise prohibited by law. It is the uniform practice to require the filing of a written answer to such allegations or charges on or before the day fixed, although this may be supplemented by oral argument or explanation, if desired. The charges, evidence in support and defense of them, and the answer submitted are considered by the Assistant Attorney-General. If, in his judgment, it is established that the scheme in question is one which is prohibited by the statutes, a memorandum is prepared for submission to the Postmaster-General, showing the charges, the evidence adduced in support of them, the answer and the evidence offered by way of defense or explanation, and the conclusion reached thereupon by the Assistant Attorney-General. Upon this memorandum final action is taken by the Postmaster-General, consisting either in the issuance of a prohibitory order, in pursuance of the statutes referred to, or the dismissal of the charges.

During the year ended June 30, 1908, there were 242 citations to appear and make answer to charges of illegal use of the mails, and fraud orders to the number of 230 were issued. Of the total number of fraud orders issued, 23 were supplemental to previous orders and intended to reach those persons and concerns who, having been declared fraudulent, were seeking to continue their operations under new names, and 23 were against foreign lottery concerns and their agents who were ascertained to be using the mails of the United States in the promotion of lottery enterprises. In the case of supplemental orders full hearing has already been accorded to the parties interested and the unlawful character of the business established. In such cases, therefore, hearings are unnecessary and could accomplish no useful end. The character of foreign lottery enterprises, on the other hand, is fully disclosed by the advertising matter used, and hearings in respect of the operations of such enterprises would be wholly useless as well as quite impracticable.

It will be seen that excluding the orders against foreign lotteries and domestic orders supplemental to those previously issued the citations exceeded the fraud orders in number by 58.

In recent years the Post-Office Department has not confined its work of suppressing fraudulent schemes to those of smaller magnitude, but has endeavored to apply the law to all grades and classes of

fraudulent enterprises, whether great or small. This course has aroused the intense antagonism of swindlers throughout the country who carry on their operations through the mails upon an extensive scale, and these by combination have endeavored to have the existing law either repealed or so amended as to almost totally destroy its efficiency, but so far they have failed to mislead Congress into any such step. Notwithstanding their opposition, the Post-Office Department is proceeding as before in the exercise of this important duty, and will not be deterred therefrom by the hue and cry of the designing and dishonest or the blind and mistaken criticism of the prejudiced and uninformed.

That the work of suppressing fraud is not confined to schemes of a petty or unimportant character will be indicated by reference to those described below, all of which have been suppressed during the fiscal year just closed.

NEW JERSEY MINERAL COMPANY.

On December 2, 1907, the Postmaster-General signed an order denying the use of the mails to the New Jersey Mineral Company, a corporation of New Jersey, with offices at Newark, N. J., and New York, N. Y.

The New Jersey Mineral Company was incorporated in November, 1903, with a capital stock of \$2,000,000, divided into 800,000 shares of the par value of \$25 each. A large block of the stock was distributed among the promoters, who paid absolutely nothing for it.

The company purchased from C. and D. D. Munson, of Franklin Furnace, N. J., a tract of land 475 acres in area, which prior to that time had been used solely for agricultural purposes. This land is valued by tax assessors at about \$10,000 and is situated about 1 mile from the well-known zinc mines of the New Jersey Zinc Company.

The company began the sale of treasury stock to the public in the spring or summer of 1906. Most of it was disposed of to persons of small means living in distant localities, and the offer of the company was conveyed to prospective investors through the medium of the mails.

The alleged object of the corporation was to mine an enormous deposit of zinc which it was claimed had been found in the property, and correspondents were assured that the company expected to realize from \$2,000,000 to \$3,000,000 a year in the mining of this mineral.

The proximity of the mines of the New Jersey Zinc Company afforded a strong basis for the claim that zinc was to be found in the land of the mineral company. It was represented that two holes had been bored and that zinc had been found in each; and the booklet of the company entitled "How Fortunes Are Made" contained a copy of the analysis of a sample of ore alleged to have been taken from the property showing 35 per cent zinc contents. In addition to the zinc, it was represented that the land contained limestone of such value as would yield a large profit to the stockholders.

The story broke before the statements of the engineer and the affidavits of the drillers who bored the holes from which the company claimed the ore had been taken, in which the pretense of the company

that ore had been found was flatly contradicted. The journal kept by one of the drillers supplied additional evidence to the same effect.

The argument based upon the nearness of the zinc company's mines was overturned by the testimony of Dr. Henry B. Kümmel, state geologist of New Jersey, who contradicted the claim of the company that the trend of the ore body in the land of the New Jersey Zinc Company was toward the property of the mineral company, and showed that the trend was in fact in the opposite direction. This fact was also attested by the superintendent of the zinc company's mines at Franklin Furnace.

Doctor Kümmel also stated, and proved by the citation of authorities, that the claims of the company as to the value of the limestone contained in its property were absurd and without foundation in truth.

Many other misrepresentations were made by the company in its endeavor to foist its stock upon the public. The percentage of zinc contents in New Jersey ore was grossly exaggerated. Representations were made to the effect that Thomas A. Edison had agreed with the company to locate the position of the ore, that the Munson farm was fully owned by the company, and that large dividends would be paid at certain periods, all of which representations were false and known by the promoters of the enterprise so to be. As a basis for the computation of the earnings of the New Jersey Mineral Company, figures representing the value of the property and the past profits of the New Jersey Zinc Company were given. The figures named were false and so known to be.

The magnitude of the operations of the company is shown by the fact that from November, 1905, to October, 1907, over \$180,000 was received in subscriptions for stock. Not a cent of this money was used to mine the alleged deposit of zinc. Most of it was dissipated in paying postage, printing, advertising, commissions, and salaries to officers and employees.

The action of the Postmaster-General put an end to the scheme through which, however, many investors of small means had already suffered severe losses.

GOLD LEAF CONSOLIDATED MINES COMPANY.

The case of the Gold Leaf Consolidated Mines Company affords another illustration of the organization of a corporation for the purpose of enriching the promoters at the expense of people living in communities distant from the place of the company's operations by means of false representations calculated to create a favorable opinion of the company's prospects. The evidence in this case showed that the promoters located certain mining claims near Idaho Springs, Colo., the value of which was unascertained and speculative, and proceeded to organize three corporations, which were subsequently merged into the Gold Leaf Consolidated Mines Company, for the alleged purpose of developing the claims.

A large portion of the stock of the corporations was divided among the promoters in exchange for the mining claims. These men were in absolute control and simply appropriated the stock, setting their own price upon the claims and making the exchange in a manner which made the transaction appear legitimate to the casual investi-

gator. In addition to the stock, the promoters caused the companies to become indebted to them by the execution of notes for large sums of money.

In the sale of the stock to the public circulars were used containing representations of a grossly deceptive character; the claims were held out as properties of ascertained value, susceptible, after a little development work, of yielding large profits to stockholders. It was stated specifically that the property of the company comprised some 200 acres, consisting of 27 claims on which patents had been granted by the United States; that the company owned a valuable mill, mill site, and water right which had been secured at a cost much less than its real value; that a large and valuable vein of ore had been found which assayed over \$420 to the ton; and that the stock was on a dividend-paying basis. All of these pretenses were found to be false and fraudulent.

About \$53,000 was obtained from the public in this enterprise, but at the time of the investigation the treasury was empty.

An end was put to this fraudulent enterprise by the issuance of a fraud order on October 3, 1907, and by the indictment by the federal grand jury at Denver of the men who promoted it.

PITTSBURG-MANHATTAN MINING COMPANY.

Mackay, Munroe & Co., Pittsburg-Manhattan Mining Company, and George Mackay were names adopted by one T. K. Hauer, of Goldfield, Nev., in an attempt to sell worthless stock to the public. In March, 1907, Hauer had pleaded guilty to an indictment found against him as a result of the operation of this scheme through the mails, and had been sentenced to serve a term of one year and one day in the penitentiary at Carson City, Nev. Upon receipt of the inspector's report showing these facts, and upon the advice of the postmasters at Goldfield and Tonopah to the effect that the small amount of mail at that time coming to their offices for the concerns and party named was being treated as unclaimed or refused, it was decided that further action was unnecessary.

It developed, however, that imprisonment in the penitentiary had no deterrent effect upon Hauer's eagerness to obtain funds from the public. Investigation disclosed the fact that he was sending letters from the penitentiary asking the addressees to direct communications in connection with his enterprises to the Pittsburg-Manhattan Mining Company at Tonopah.

A fraud order was accordingly issued on October 3, 1907.

CALIFORNIA FRUIT GROWERS' ASSOCIATION.

On July 24, 1907, a fraud order was issued against the California Fruit Growers' Association and its officers and agents, at Los Angeles, Cal.; Rialto, Cal.; Denver, Colo.; Detroit, Mich.; and New York, N. Y.

The California Fruit Growers' Association was a corporation organized and controlled by one Ollie J. Watkins, who had served a term in a penitentiary for passing a forged instrument and had been fined \$100 for conducting a lottery. The corporation bought 1,933 acres of unimproved land from the Fontana Development Company, of San Francisco, Cal., giving a trust deed to the Merchants' Trust

Company, of Los Angeles, to secure the payment of \$20,000 of the purchase price. The land has never been paid for and is encumbered by mortgages, taxes, tax titles, bonds, and water assessments.

Under the absolute domination of Watkins and his associates, the association began in 1905 to advertise the sale of 5-acre 5-year-old orange groves through newspapers, printed matter sent through the mails, and agents in various parts of the United States. Contracts were entered into whereby the purchaser agreed to pay \$10 down and \$10 monthly for seven years, when his contract would mature, and a deed to a 5-acre 5-year-old orange grove would be delivered to him. The association agreed to plant five hundred orange trees on each grove when the contractor had made twenty-five payments and to "cultivate, irrigate, fertilize, and prune said grove" for five years and to convey the necessary water rights for future culture of oranges. If the contractor failed to make his monthly payments for six months, his contract lapsed and he forfeited all that he had theretofore paid to the association.

The investigation developed the facts that orange land could not be purchased, cultivated, and irrigated for less than a sum of money exceeding per acre many times what the association agreed to do it for; that the land offered for sale was of such poor quality that its preparation for orange culture would require the expenditure of large sums of money over and above that obtained from contract holders; that many persons had been induced to enter into contracts with the association and go to California in the belief induced by the representations of the association that they would be given steady employment in the orange groves, only to be discharged after a short period of employment and to be compelled to forfeit what money they had paid; and that Watkins' plan was to defer the delivery of the deeds for seven years in the hope that he would be enabled in that time in some way to squirm out of his agreement. The success of this plan is evidenced by the fact that out of 600 contracts entered into by the company over 300 had been allowed to lapse by contract holders who had learned how highly improbable it was that Watkins would ever carry out his promises. At the time the fraud order was issued, a recent exposé of the methods and character of Watkins in a Los Angeles newspaper had caused every contract holder to cease his payments.

Just previous to the issuance of the fraud order, Watkins and his associates were indicted by the federal grand jury for fraudulent use of the mails.

PROF. HARRIS EDISON.

An attempt to prey upon the credulity of the public was made by "Prof. Harris Edison," of Binghamton, N. Y., a self-styled astrologer and prophet. His true name was Edson, and the evidence in the case tended to indicate that the insertion of the "i" was made for the purpose of trading upon the fame of Thomas A. Edison, the inventor.

Edson advertised extensively in newspapers and magazines, harping upon the wonders of astrology, and promising to reveal to those who paid him for casting their horoscopes the entire future, so that nothing would be left untold and the correspondent would know just

what was in store for him and how to avoid trouble, worry, and mistakes and make life a success. He called himself the "Wizard of the Stars," and represented that he was the "most prominent among the astrologers of the modern time." With his assistance every person could maintain friends, avoid enemies, obtain health, make money, win fame, and secure a position in business and social life. The reader was impressed with the fact that "Professor Edison" erected a horoscope for each individual and gave him a reading personal and peculiar to himself. He promised a reading for "your own individual self"—"my more complete horoscope of your own case."

As a matter of fact, Edson used the system, with slight changes, adopted by all of the "mail-order astrologers." He had 144 prepared forms, based upon a division of each sign of the zodiac into twelve parts. Each remitter was sent one of these forms. All persons born in the same subdivision were sent the same stock reading, entirely irrespective of sex, age, color, or environment.

The pretense that he was an astrologer was false. His system was an arbitrary one; no horoscopes were erected; the position of the moon, the presence of comets, the place of the planets, were all ignored; and a person born the same day of the year in 1908 would receive a reading the exact duplicate of that sent a person born on that day in 1880. The representation that this was astrology was a flagrant untruth, and so known to be by Edson.

The readings fulfilled none of the promises made for them. They contained information of the character of that given in yearly almanacs, a hopeless array of characteristics that might well apply to anyone. That these forms would enable the subject of the reading to guide his life aright, avoid sorrow and trouble, and amass wealth was an absurd and ridiculous fancy.

The fraud order of December 11, 1907, put an end to a business that was thriving upon the credulous and superstitious.

H. H. TUCKER, JR.

One of the important orders issued during the year was that forbidding the delivery of mail and the payment of money orders to H. H. Tucker, jr., of Kansas City, Kans. Tucker was endeavoring to enforce payment from some 9,000 persons, scattered throughout the United States, whom he had theretofore induced to purchase stock in a certain Uncle Sam Oil Company, a corporation organized under the laws of the Territory of Arizona, and promoted and controlled entirely by him, of an assessment levied on the stock so purchased. In his efforts to collect this assessment, Tucker made many false and fraudulent representations.

The Uncle Sam Oil Company was incorporated under the laws of Arizona in February, 1905, for the alleged purpose of producing, refining, and selling oil. The capitalization was 75,000,000 shares, par value \$1 each. Before placing the stock before the public Tucker reduced this capitalization to \$10,000,000, and divided the capital stock into 1,000,000 shares preferred, with a voting power of eight votes per share, and 9,000,000 shares of common stock, with a voting power of one-half vote per share, and appropriated to himself all of the preferred stock and 100,000 shares of common stock.

Immediately after organization Tucker began a systematic effort to dispose of the remainder of the common stock, and advertisements were placed in metropolitan newspapers and circulars sent through the mails inviting the people to invest in a corporation whose shares of stock, then selling at from 4 cents to 20 cents, would soon be worth par. It was pretended that the Uncle Sam Oil Company had entered the field for the purpose of driving the Standard Oil Company out of business in that section of the country. Representations were made to the effect that pipe lines had been laid, and photographs were printed showing pipe lines under construction. Dividends were paid when the condition of the company did not warrant it. Promises were made that the properties of the company would never be incumbered and that bonds would never be issued. Statements were made to the effect that the company had made arrangements to ship oil to Norway via the Arkansas, Missouri, and Mississippi rivers. Claims were made that within a very short time the company's income from the sale of oil would amount to the sum of \$10,000 daily.

All of these pretenses, representations, and promises were found to be false and fraudulent, and Tucker was, in April, 1907, indicted for using the mails in the furtherance of a scheme to defraud. Immediately following his arrest a petition was filed in the United States district court asking the appointment of a receiver in bankruptcy. In his answer Tucker charged a conspiracy between the United States attorney, the post-office inspectors, the Standard Oil Company, et al., having for its object the demolition of the Uncle Sam Oil Company. A motion was made to discharge the receiver appointed in consequence of the petition and was denied. Thereupon Tucker filed an affidavit directed against Judge Pollock. In consequence of the nature of this affidavit Tucker was called upon to show cause before Judge Hook why he should not be adjudged in contempt. Upon the hearing Tucker was found guilty and sentenced to three months' imprisonment. Mr. Tucker's attorneys applied to the President for a pardon for him from this order of commitment, whereby all of the allegations charging the conspiracy were brought before the President for review. The matter was, I am informed, thoroughly inquired into by the Attorney-General personally. The President denied the application.

After a trial before District Judge Amidon from June 11 to June 19, 1907, the Uncle Sam Oil Company was adjudged bankrupt and passed into the hands of a referee.

Tucker then began appealing to the stockholders for money to make up a so-called defense fund, and in January, 1908, called upon each of the stockholders to send to him personally at Kansas City, Kans., 4 cents for each share of the capital stock held by the addressees as an assessment to pay the debts of the company and take it out of bankruptcy and to complete its plans and place it on a full operating basis by finishing its pipe line to its refinery at Atchison, Kans., and by erecting certain wax works at that place. These circulars represented that on payment of the assessment the stockholder would be given one share of stock for each 10 cents so paid; that if payment was not made the shares of stock held by the addressees would be forfeited to the company by action of its directors. A statement made by one Fleming, general manager of the company

under the trustee, was printed in such form as to lead the reader to believe that it was an official report made in the course of his duties as an officer of the court. The circular also contained what purported to be a legal opinion by the company's counsel to the effect that the assessment was legal and enforceable at law, and representations to the effect that the money received by the assessment would place the company in a position where it could earn \$950,000 a year, and that it was even then in a condition to earn \$250,000 a year.

It was developed by the investigation that the stock had been sold as fully paid and nonassessable; that the assessment was without right or authority in law; that there was no necessity for the building of the contemplated pipe line; that the statement of Fleming was gratuitous and not official; that if the improvements were made as contemplated the company would not have an earning power of \$950,000 a year or anything like that sum; and that the company was not then in shape to earn \$250,000 a year.

On March 26, 1908, a fraud order was issued against Tucker upon the recommendation of this office. Tucker was, however, subsequently acquitted of the charge of criminal fraud alleged in the indictment returned against him in the United States court for the district of Kansas. But it should be understood that this proceeding was wholly separate and distinct from that which resulted in the issuance of the fraud order and was based upon a different statute and state of facts.

REMARKS.

It is only through unremitting vigilance on the part of this office and of the corps of post-office inspectors that the authority contained in the statutes referred to is rendered effective in protecting the public from fraud sought to be practiced through the medium of the mails; but there can be no doubt whatever that the vigorous and impartial exercise of that authority for the several years past has produced most wholesome results and proved of immeasurable value to the public.

In some of the cases it is found at the hearing upon the charges that the evidence in the possession of the Post-Office Department is insufficient to establish a violation of law, or that the scheme had been abandoned prior to the sending of the citation and is no longer in existence, or that for some other good reason a fraud order is unwarranted or unnecessary. It sometimes occurs that legitimate enterprises are so advertised as to mislead the public, with result that complaints of fraud are received by the Post-Office Department. In those instances, however, in which it is established satisfactorily that the misleading advertisements were framed without intention to defraud, and that in all other respects the business is fair and honest, opportunity is afforded to eliminate such advertisements, or the objectionable portions of them. In all these cases complete adjustment of the matters complained of and the filing of an affidavit that the deceptive representations will be at once eliminated, and not at any time thereafter used, are required. Failure to comply strictly with the promise embodied in the affidavit is promptly followed by the recommendation that a fraud order be issued.

The Post-Office Department has occasionally been subjected to rather severe criticism, sometimes by the daily or weekly press, and at

others by individuals, because of its failure to take action against persons or companies alleged to be exploiting mining shares through the medium of the mails by means of false or misleading representations. Investments in mining enterprises are from necessity attended with great risk, and very often the honest as well as the dishonest mining properties turn out to be absolute failures. It is easy to misrepresent mining properties and extremely difficult to show the falsity of such representations. Even experienced mining engineers are often misled or mistaken as to the extent and value of ore deposits, and post-office inspectors do not pretend to possess the technical knowledge and training required to determine unfailingly whether representations as to the character of mining properties made in selling shares in such properties are true or willfully false and misleading. In many cases the difficulties of investigation are increased by reason of the fact that the alleged mines are located in Mexico, South America, or other foreign countries, where the language, local customs, and conditions are strange to the investigating officers. Nevertheless, inquiries into the operations of mining companies whose shares are offered through the mails and whose honesty is questioned are in no sense desultory or half-hearted; on the contrary, everything physically and legally possible is done to discover the facts and suppress fraud if established.

BILLS FOR INJUNCTION.

During the year four applications were made to the federal courts for the process of injunction to restrain the enforcement of fraud orders issued to postmasters under the authority of the act of September 19, 1890, and section 4 of the act of March 2, 1895, forbidding the delivery of mail and the payment of money orders to persons and concerns found to be conducting lotteries and fraudulent schemes. In three of these cases the application for injunction was denied upon preliminary hearing, while in the fourth case the suit was withdrawn by the complainant before the time fixed for the hearing.

REPORTS OF POST-OFFICE INSPECTORS.

The record of fraud and lottery cases reported upon by post-office inspectors which was inaugurated in December, 1904, and to which reference has been made in my last three annual reports, shows that during the fiscal year 606 reports of this character have been made, as against 688 for the previous year, being a decrease of 82.

In most cases investigations by inspectors are instituted upon complaint received from the public, but not infrequently this office or the inspectors themselves take the initiative. Very commonly published advertisements afford good reason for the surmise that the concerns publishing them are engaged in fraudulent practices, and whenever such advertisements come to our notice, or information is received from any other source, indicating that the mails are being used unlawfully, this matter is at once called to the attention of the Division of Post-Office Inspectors and request made that it receive prompt investigation.

OBSCENE AND INDECENT MATTER.

The policy of applying and enforcing more strictly the statute prohibiting the transmission in the mails of publications or other matter containing obscene or suggestive illustrations or advertisements, which policy was inaugurated nearly four years ago, has accomplished highly beneficial results. Among the concerns affected by this policy are those offering so-called "cures" for sexual diseases, whose advertisements are frequently found to be obscene as well as fraudulent, and whose remedies are in many instances not only worthless, but positively injurious to health. It is believed, however, that most of the enterprises of this nature have been suppressed either by means of fraud orders or the exclusion of their advertising matter from the mails; for in the year just closed comparatively few cases have come to the attention of the department. The importance of the closest possible scrutiny of the operations of such concerns, with the object of protecting the unfortunate from fraud and physical harm, is self-evident, and the policy of dealing with them promptly and vigorously will be continued.

By the act approved May 27, 1908, making appropriations for the service of the Post-Office Department, it is provided:

That section 3893 of the Revised Statutes of the United States be, and the same is hereby, amended by adding thereto the following: And the term "indecent" within the intentment of this section shall include matter of a character tending to incite arson, murder, or assassination.

The duty of enforcing this enactment was by order of the Postmaster-General assigned to this office, and on June 12, 1908, the following instructions to postmasters were issued by him:

In pursuance of section 3893 of the Revised Statutes (section 497 of the Postal Laws and Regulations), as thus amended, you are directed hereafter to exclude from the mails not only publications and articles of the character heretofore forbidden by that section to be carried, but in addition "all matter tending to incite arson, murder, or assassination," the depositing, conveying, or delivering of which is prohibited by the section as now amended.

When any issue of a publication printed in whole or in part in a language other than English shall be offered for mailing, and which you have reason to believe contains matter that is forbidden transmission in the mails by section 3893 of the Revised Statutes as now amended, you will require the publisher to file a true translation in English of so much of the contents of the publication as are believed to be unmailable under said section and to certify the same as the true translation of such contents; and, pending the filing of such translation so certified, you will decline to accept for transmission in the mails any copies of such issue.

Upon the filing of the translation so required, you will carefully examine the same, and, if it shall appear from such translation that the issue from which it is taken contains matter which is obscene or indecent or which tends to incite arson, murder, or assassination, or gives information where or of whom or by what means any such matter, or any article designed or intended for the prevention of conception or procuring of abortion, or intended or adapted for any indecent or immoral use, may be obtained, you will decline to accept any copies of such issue for transmission. Should you be in doubt whether the issue in question contains matter which is unmailable under the provisions of section 3893 of the Revised Statutes as amended, you will promptly submit the question to the Assistant Attorney-General for the Post-Office Department for determination, and, pending instructions from that officer, will decline to accept copies of the issue of the publication in question for mailing.

These instructions are not to be used to irritate, annoy, or intimidate publishers. They are intended merely for your guidance in carrying out the provisions of amended section 3893 of the Revised Statutes, to the end that no matter,

the circulation in the mails of which is forbidden by that section, may be accepted or carried. Their enforcement should be characterized by wise discretion and conservatism in order that no innocent publisher may suffer injustice.

The method herein directed to be followed in dealing with second-class publications printed in foreign languages is equally applicable to suspected third-class matter printed in any such language when offered for mailing.

The beneficial effects of this enactment are already seen, although it has been in force only about ninety days, nor has there been any indication, so far as this office is aware, that the statute has worked injustice or undue hardship upon any person or interest.

OPINIONS.

By the postal regulations the Assistant Attorney-General is charged with a variety of duties in addition to the highly important and semi-judicial function of hearing and considering cases of alleged unlawful use of the mails, all of which have relation more or less direct to the federal statutes governing the Post-Office Department and the postal service. The duty of giving to the Postmaster-General, to the heads of the various bureaus of the Post-Office Department, and to postmasters opinions and advice upon questions of law arising in the course of administration of the postal service involves in a large degree the interpretation of statutes, contracts, and postal conventions with foreign countries. Manifestly this is a very exacting and responsible duty, requiring in its proper discharge exceeding care and frequently exhaustive search of authorities.

During the year ended June 30, 1908, there have been rendered 2,469 official written opinions, as compared with 2,672 during the previous year. Of the whole number of opinions given in writing, 209 were upon miscellaneous questions of law, many of which involved the construction and application of statutes, the interpretation of contracts, etc., in comparison with 367 in the previous year. The remaining 2,260 opinions were in the nature of rulings upon the admissibility of matter to the mails under the provisions of the act of September 19, 1890, amending sections 3894, 3929, and 4041 of the Revised Statutes, section 3893 of the Revised Statutes, and the act of September 26, 1888, chapter 1039 (1 Supp., 621), as well as miscellaneous questions arising under the regulations and various statutes affecting the postal service.

The question for determination under sections 3894, 3929, and 4041 of the Revised Statutes, as amended, is whether or not the plan of business to which such matter relates is a lottery enterprise or a fraudulent scheme within the meaning of those statutes. Under section 3893 of the Revised Statutes and the act of September 26, 1888, *supra*, is considered the question whether matter transmitted, or proposed to be transmitted, in the mails is obscene, indecent, scurrilous, or defamatory in nature. This latter work, as well as that of deciding cases of disputed ownership of mail and giving rulings to postmasters and others upon miscellaneous questions, was formerly performed by the division of correspondence, under the direction of the First Assistant Postmaster-General.

No record, of course, is kept of the verbal and informal opinions given to departmental officers upon questions of law constantly arising and relating to matters requiring immediate disposition.

CONTRACTS EXAMINED.

Contracts for supplies or services, or for the use of buildings as post-offices, postal stations, or like purposes in large numbers have been examined and approved as to form during the year. The number of contracts for supplies and services passed upon was 196, being a slight increase over the number passed upon during the previous year.

Post-office leases to the number of 720 were passed upon and approved or disapproved, this representing an increase of 197 over the number reported last year.

A record has been kept of the number of bonds of post-office inspectors examined and shows that 41 were passed upon.

CLAIMS FOR REWARD.

During the fiscal year 71 claims for reward for services rendered in the detection, apprehension, and conviction of post-office burglars, highway mail robbers, and other offenders against the postal service were examined and advice as to their allowance or disallowance conveyed in formal communications to the chief post-office inspector, being a decrease of 6 as compared with the number of such claims passed upon the previous year.

PETITIONS FOR PARDON.

During the year the cases of 56 persons convicted of offenses against the postal laws, and in behalf of whom petitions for executive clemency were filed, have been reported upon to the Attorney-General, with recommendation that the petition be either granted or denied, being an increase of 20 over the number of such cases reported upon in the preceding year.

CLAIMS OF POSTMASTERS FOR REIMBURSEMENT FOR LOSSES SUSTAINED.

By the acts of Congress approved, respectively, May 9, 1888, and June 11, 1896, the Postmaster-General is authorized to reimburse postmasters in sums not exceeding \$10,000 for losses of government funds resulting from "fire, burglary, or other unavoidable casualty," at their respective post-offices, and for losses of such funds in transit from postmasters to their designated depositories. The Assistant Attorney-General is required by the postal regulations also to make examination of this class of cases and advise the Postmaster-General in the matter of their allowance.

The number of such claims received during the fiscal year just closed was 1,242, being an increase in the number received of 103, as compared with the fiscal year immediately preceding, and an increase of 61 in comparison with the year ended June 30, 1906. The number of claims allowed was 865, a decrease of 28 as compared with the preceding year. The number disallowed was 244, representing a decrease of 17 as compared with the year previous. Nine claims were withdrawn and 45 dismissed, being an increase of 3 and 3, respectively, as compared with the previous year. The dismissal of claims results from the recovery of the funds on account of the loss

of which reimbursement is asked, and the withdrawal of a claim is the voluntary act of the claimant. The total of the allowance was \$135,084.16, as against \$148,454.18 allowed the year previous and \$128,208.05 allowed during the year ended June 30, 1906. The number of claims settled—that is to say, allowed, disallowed, withdrawn, and dismissed—was 1,163, being an increase in comparison with the previous year of 11 and a decrease from the number settled during the year ended June 30, 1906, of 42. Of those allowed, 3 were claims which had been previously disallowed, but which, upon the presentation of new evidence, were reconsidered and allowed. The number of claims pending June 30, 1908, was 589, being an increase of 82 in comparison with the number pending at the close of the previous year.

In pursuance of the act of March 17, 1872 (22 Stat. L., 29), as amended by the act of May 9, 1888 (25 Stat. L., 135), and the act of June 11, 1896 (29 Stat. L., 458), there has been prepared for submission to Congress a statement in tabular form showing in detail the claims of postmasters for reimbursement for losses of money-order and postal funds, postage stamps, etc., which have been examined and considered in this office and acted upon by the Postmaster-General during the fiscal year just closed, with the amounts claimed, amounts allowed, disallowances, causes of loss, etc.

OFFERS OF COMPROMISE.

Somewhat similar is the duty of considering the offers of compromise of liabilities to the United States, submitted on behalf of mail contractors, former postmasters, and others, as well as propositions to remit fines, penalties, and forfeitures accruing to the Government under the postal statutes, and submitting them to the Postmaster-General with advice as to his official action. During the year 43 offers, made by or on behalf of postmasters and contractors for transporting the mails or furnishing postal supplies, to compromise indebtedness owing by them to the United States and certified to the Postmaster-General by the Auditor for the Post-Office Department under the provisions of sections 295 and 409 of the Revised Statutes, have been received from the Postmaster-General and returned to him with advice that they be accepted or rejected, according to the circumstances of the particular case. This is a decrease of 85 from the number of such offers received and disposed of during the previous year.

PRINTING AND BINDING OF OPINIONS.

The work of editing and compiling the opinions of the Assistant Attorneys-General for the Post-Office Department for the period from March, 1892, to June 30, 1908, for the printing and binding of which an appropriation of \$10,000 was provided in the post-office appropriation act for the year 1908, was entered upon in January of the present year, and has progressed remarkably well, notwithstanding that it has been subject to many interruptions. It has been exceedingly difficult with the present force of the office to carry forward this work, which involves the close examination and comparison of about 2,000 opinions (most of which had to be copied in type-writing from the original letter books), as well as the digesting and indexing of those selected for publication; and time after time it has

had to be wholly suspended in consequence of the call of those engaged upon it to some other work requiring immediate attention.

The first installment of the proof has been received from the Public Printer, corrected and returned, and additional copy will soon be ready for the types. The work has now reached the stage at which it will go forward more rapidly, and it will be expedited as much as possible. The opinions of the Assistant Attorneys-General from the establishment of the office, in June, 1872, to March 17, 1892, are in print, and the work now in progress is designed to carry into printed volumes the opinions given from the latter date to June 30, 1908.

SUMMARY.

The following summary will indicate more clearly the volume of work performed during the year in comparison with that of the year immediately preceding:

	1906-7.	1907-8.		1906-7.	1907-8.
Citations	155	242	Applications for pardon	31	56
Fraud orders issued	158	230	Offers of compromise	128	43
Reports of inspectors on lotteries and fraudulent schemes re- ceived and examined	688	606	Contracts examined	193	196
Opinions and rulings	2,672	2,469	Leases examined	528	720
Claims for reward	77	71	Bonds examined	205	41
			Claims of postmasters settled	1,152	1,163

Respectfully submitted.

R. P. GOODWIN,
Assistant Attorney-General.

HON. GEORGE VON L. MEYER,
Postmaster-General.

REPORT
OF THE
PURCHASING AGENT FOR THE POST-OFFICE
DEPARTMENT
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

REPORT

OF THE

PURCHASING AGENT FOR THE POST-OFFICE DEPARTMENT.

POST-OFFICE DEPARTMENT,
OFFICE OF THE PURCHASING AGENT,
Washington, October 17, 1908.

SIR: I have the honor to submit the following report of the business transacted by this office during the fiscal year ended June 30, 1908:

FORMAL CONTRACTS.

During the fiscal year there were negotiated by the purchasing agent 163 formal contracts. Of this number, 146 are for furnishing general or miscellaneous supplies to the Post-Office Department and postal service during the fiscal year beginning July 1, 1908. The supplies furnished under these contracts are stationery, typewriters, computing machines, metal and rubber stamps, numbering machines, seals, letter-copying presses, furniture, carpets, baskets, buckets, boxes, dry goods, twine and cordage, hardware and trucks, leather and leather belting, electrical supplies, paints, oils, chemicals, glass, lumber, fuel, ice, forage, and household supplies.

The advertisement inviting proposals for furnishing these supplies was published March 11, 1908; the bids were opened April 15, 1908, and the award made June 29, 1908. Owing to a decrease in the market price of raw materials and increased competition between dealers and manufacturers, the prices named in these contracts for many of the articles are substantially lower than the prices paid for the same articles during the fiscal year ended June 30, 1908.

The difference between the prices paid for the different articles included in the general supply schedule under the contracts for the fiscal year ended June 30, 1908, and the prices which will be paid for the same articles during the current fiscal year is shown in the following table. The amounts given are based on the estimated quantities stated in the specifications for the current fiscal year:

Comparison of prices for general supplies.

Articles.	1908.	1909.	Differences.	
			1908.	1909.
Stationery.....	\$142,066.72	\$128,013.77		\$14,052.95
Typewriters and supplies.....	54,265.95	54,598.20	\$332.25	
Computing machines.....	29,381.25	29,381.25		
Stamps, numbering machines, seals, etc.....	50,193.23	38,244.35		11,948.88
Letter-copying presses.....	2,722.50	2,593.00		129.50
Furniture, carpets, etc.....	5,462.35	4,944.45		517.90
Baskets, buckets, and boxes.....	7,232.50	7,032.00		200.50
Dry goods.....	2,318.31	1,958.60		349.71
Twine and cordage.....	435,586.40	252,957.77		182,628.63
Hardware and trucks.....	12,240.50	9,956.81		2,283.69
Leather and leather belting.....	3,824.50	3,420.00		404.50

Comparison of prices for general supplies—Continued.

Articles.	1908.	1909.	Differences	
			1908.	1909.
Electrical supplies.....	\$1,426.25	\$1,426.25		
Paints, oils, chemicals, and glass.....	1,893.93	1,824.62		\$69.31
Lumber.....	3,704.25	3,507.50		196.75
Fuel, ice, etc.....	1,470.00	1,500.00	\$30.00	
Forage.....	510.00	569.50	59.50	
Household supplies.....	894.90	936.41	41.51	
Total.....	755,193.54	542,874.48		
Total differences.....			463.26	212,782.32
				463.26
Total savings.....				212,319.06

The number of contracts negotiated for supplies other than those included in the general supply schedule is shown in the following list:

Articles.	Contract prices.	
	Present.	Previous.
Facing slips:		
Plain, per million.....	\$42.00	\$43.00
Printed, per thousand.....	.0675	.0675
Official Postal Guide:		
Cloth bound, each.....	.25	.35
Paper bound, each.....	.13	.10
Supplements, each.....	.01	.005
Special delivery and collectors' canvas satchels:		
Special delivery, each.....	.9995	.815
Collectors', large, each.....	3.1384	3.387
Collectors', small, each.....	2.4755	3.214
Package boxes and combination letter and package boxes:		
Package boxes, each.....	7.70	a 8.35
Combination boxes, each.....	9.75	a 9.85
Mail-conveyer system in Washington City post-office.....		Special.
Mail-conveyer system in New York, N. Y., post-office (terminal station).....		Special.

a Includes extra charge for time-card frames.

It is proper to state in explanation of the prices named in this list that the Official Postal Guide furnished under the present contract is printed on better paper and is in many ways superior to the Guide furnished under the former contract. In the purchase of package boxes and combination letter and package boxes under the former contract an extra charge of 35 cents was made for each time-card frame, while in the current contract the price of the time-card frame is included in the price of the box.

OPEN-MARKET PURCHASES.

In accordance with the practice which has been followed in previous years, all of the supplies the need of which could be anticipated were provided for in formal contracts. It frequently happened, however, that requisitions were made for the purchase of articles not covered by contract. The quantity needed being small and immediate delivery required, it was found impracticable to negotiate formal contracts covering these purchases. In cases of this kind an advertisement inviting proposals for furnishing the articles desired was posted on the bulletin board in the lobby of the Washington City post-office and blank bids addressed to two or more dealers in Washington or nearby

cities. On a day named in the advertisement the bids were opened in this office and the award made to the lowest satisfactory bidder.

EXIGENCY PURCHASES.

In every case where the sale of the article required was not controlled exclusively by one individual or company two or more dealers or manufacturers were given an opportunity to submit bids. The number of exigency purchases made during the year was small and confined to patented articles.

ENVELOPES.

The Comptroller of the Treasury decided in April, 1908, that the Library of Congress and the District of Columbia are government establishments within the meaning of the statute concerning the purchase of envelopes (34 Stat., 476), and must purchase the envelopes used by them under contracts made by the Postmaster-General. At the time the contracts for envelopes for the executive departments were negotiated it was thought that neither the District of Columbia nor the Library of Congress was covered by the provisions of the statute, and their requirements were not provided for. As both of these institutions use certain envelopes which are not covered by the departmental contracts, this office, since the date of the Comptroller's decision, has made agreements with dealers and manufacturers for supplying their needs.

AMOUNTS EXPENDED FOR SUPPLIES.

The following table shows the amounts expended for the different kinds of supplies purchased for the Post-Office Department and the postal service during the fiscal year ended June 30, 1908, with the number of orders issued and the appropriations from which said amounts were paid:

Appropriations.	Under formal contract.		Open market.	
	Number of orders.	Amount.	Number of orders.	Amount.
POST-OFFICE DEPARTMENT.				
Stationery and blank books, including amount necessary for the purchase of free penalty envelopes.....	868	\$17,839.10	148	\$2,456.20
Fuel and repairs to heating, lighting, and power plants, including repairs to elevator.....	30	20,491.81	115	13,052.75
Gas and electric lights.....			3	110.00
Plumbing.....			12	596.59
Painting.....	8	78.50	32	1,520.29
Carpets and matting.....	11	795.37	6	195.65
Furniture.....	43	1,428.88	42	1,031.41
For purchase, exchange, and keeping of horses and wagons, and repair of wagons and harness, to be used only for official purposes.....	27	1,313.29	43	1,429.05
Indexes and filing devices.....	30	835.44	76	1,859.32
Miscellaneous items, including telephone service, law books, books of reference, railway guides, city directories, and books necessary to conduct the business of the department.....	203	11,187.62	361	6,739.59
Official Postal Guide.....	13	15,570.20		
Post-route maps.....	60	17,947.71	38	3,344.63
Postage stamps for correspondence addressed abroad which is not exempt from postage under article 8 of the Paris convention of the Universal Postal Union.....			6	750.00
Total.....	1,293	87,487.92	882	33,085.48

Appropriations.	Under formal contract.		Open market.	
	Number of orders.	Amount.	Number of orders.	Amount.
POSTAL SERVICE.				
Travel and miscellaneous expenses in the postal service, office of the First Assistant Postmaster-General, including city directories and books of reference.....			8	\$2,688.00
Stationery for postal service.....	410	\$82,210.58	92	11,360.97
Wrapping twine and tying devices.....	92	279,670.54		
Wrapping paper.....	6	6,483.28	7	5,724.03
Letter balances, scales, and test weights, and repairs to same, and for tape measures.....	12	3,554.35	22	3,892.88
Postmarking, rating, and money-order stamps, and repairs to same, ink and pads for stamping and canceling purposes, and year blocks for old postmarking stamps, not to exceed four consecutive years for each stamp; rubber stamps and type, metal-bodied rubber type, dates, figures, and holders, and inking pads for rubber stamps.....	508	34,342.40	19	324.18
Packing boxes, sawdust, paste, and hardware.....	27	1,939.57	9	229.83
Facing slips, plain and printed, including the furnishing of paper for the same; also for card-slide labels, blanks, and books of an urgent nature.....	12	25,497.32		
Blanks, blank books, printed and engraved matter, binding and carbon paper for the money-order service. For the purchase or exchange of typewriting machines, envelope-opening machines, computing machines, and for the purchase of copying presses, numbering machines, and for miscellaneous articles purchased and furnished directly to the postal service.....	1,355	197,225.88	6	1,321.67
Mail bags, cord fasteners, label cases, and labor and material necessary for repairing equipment and incidental expenses pertaining thereto.....	580	62,991.89	64	16,734.69
Mail locks and keys, chains, tools, and machinery, and labor and material necessary for repairing same and incidental expenses pertaining thereto.....	163	321,480.28	64	7,783.08
Miscellaneous office expenses of railway mail service, including schedules of mail trains, typewriting machines, and badges for railway postal clerks.....	69	3,096.63	52	6,138.29
Manufacture of adhesive postage and special-delivery stamps and books of stamps.....			243	22,802.54
Manufacture of stamped envelopes and newspaper wrappers.....	958	494,045.99		
Manufacture of postal cards.....	647	1,064,086.94		
Official and registry envelopes.....	242	184,232.78		
Supplies for the city-delivery service, including letter boxes, package boxes, posts, furniture, satchels, straps, baskets, time cards, time-card frames, time-recorder supplies, freight, package and cartage charges, maps, and transfer designs and stencils.....	788	180,532.47	1	19,283.28
Supplies for the rural-delivery service, including collection boxes, furniture, satchels, straps, badges, and the making of maps for use of the rural-delivery service, repairing satchels, repairing, painting, and erecting collection boxes, etc.....	718	73,072.78	22	6,590.14
Rental or purchase of canceling machines, including cost of power in rented buildings, motors, repairs to motors, and miscellaneous expenses of installation and operation.....	555	67,867.09	13	937.50
Weighing, counting, and recording mail matter, 1908.....	15	345.55	165	7,590.66
Blanks, registry service.....	49	5,399.46	189	6,939.72
	1	15.22	2	2,720.01
Total.....	7,207	3,118,081.00	978	123,055.47
Grand total.....	8,500	3,206,568.92	1,860	156,140.95

Total number of orders..... 10,360
 Total expenditures..... \$3,361,709.87

Very respectfully,

W. E. COCHRAN,
Purchasing Agent.

The POSTMASTER-GENERAL.

REPORT
OF THE
CHIEF INSPECTOR
DIVISION OF POST-OFFICE INSPECTORS
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

TO THE
ABORIGINAL

REPORT OF THE CHIEF INSPECTOR.

POST-OFFICE DEPARTMENT,
OFFICE OF THE CHIEF INSPECTOR,
Washington, D. C., September 11, 1908.

SIR: I have the honor to submit herewith the annual report of the chief inspector for the fiscal year ended June 30, 1908.

All complaints concerning depredations upon the mails and losses or irregularities therein and violations of the postal laws and regulations and many questions arising in the other offices or bureaus of the department regarding the service are referred to this office for investigation. Upon receipt these complaints are jacketed under a case or a file number, as the circumstances warrant, and an investigation is made either by inspectors or by correspondence. For convenience in handling and to distinguish the character of a case or file, they are divided into classes, each class being represented by a letter or letters.

The number of each class of cases or files jacketed and closed during the fiscal year 1908, as compared with the preceding fiscal year, is as follows:

	Jacketed.		Closed.	
	1907.	1908.	1907.	1908.
A cases.....	14,076	17,446	11,530	16,596
B cases.....	130,197	129,566	138,924	135,299
C cases.....	36,801	39,904	30,345	41,700
D cases.....	9,463	9,805	8,463	9,822
F files.....	38,602	40,290	36,806	43,291
I cases.....	33,995	33,536	32,121	37,627
R cases.....	68	83	76	90
S cases.....	21,491	18,109	21,034	19,929
R E cases.....	2,948	3,468	3,366	3,022
R I cases.....	4,323	4,490	8,491	4,702
Total.....	291,964	296,497	291,158	312,138

On June 30, 1908, there were 77,121 cases outstanding in the field under investigation, and 13,009 under consideration in the department.

The following is an explanation of the different classes of cases and the subjects embraced in each class:

A CASES—REGISTERED MAIL.

The A series of cases represents complaints concerning the rifling, loss, destruction, delay or wrong delivery of domestic registered mail, and similar complaints concerning the foreign registered mail as can not be adjusted by correspondence.

B CASES—ORDINARY MAIL.

The B series of cases represents complaints concerning the tampering with, rifling or loss of domestic ordinary mail, and similar complaints concerning foreign ordinary mail as can not be adjusted by correspondence.

C CASES—MISCELLANEOUS.

The C series of cases represents miscellaneous complaints, affecting the business of the postal service or employees, violations of the postal laws and regulations, wrong payment of international money orders, failure of postmasters to remit custom duties, requests of the other bureaus and offices of the department for investigation of charges against postal employees, etc. The origin of the C cases jacketed during the past fiscal year was as follows:

Request of:

First Assistant Postmaster-General.....	3, 252
Second Assistant Postmaster-General.....	306
Third Assistant Postmaster-General.....	1, 618
Fourth Assistant Postmaster-General.....	644
Assistant Attorney-General.....	416
Auditor for the Post-Office Department.....	16, 247
Miscellaneous origin.....	17, 421

Total..... 39, 904

The principal subjects covered by C cases during the fiscal year 1908 and the number of cases under each subject, as compared with the preceding fiscal year, are given in the following table:

No. of section.	Subject.	Number of cases.	
		1907.	1908.
329	Irregularities on the part of postmasters in the sale of postage stamps, false returns of cancellations, etc.	13	710
1578	Evasion of payment of proper rates of postage.....	17, 333	15, 776
555	Lottery matter in the mails or express.....	258	169
484	Scurrilous and obscene matter.....	2, 533	3, 997
499	Use of mails for fraudulent purposes.....	3, 531	4, 402
497-498	Unlawful use of penalty envelopes.....	55	64
1617	Post-offices located in barrooms.....	2	66
512	Carrying mail by private express.....	37	45
266	Obstructing the mails.....	72	87
1136-1141	Forging, counterfeiting, or wrong payment of money orders.....	717	981
1622-1623	Embezzlement of valuable letters by postal employees.....	385	776
1588	Delay, opening or destruction of letters by postal employees.....	437	1, 968
1604	Intercepting or stealing mail by any person.....	772	1, 192
1605	Removing cancellations from postage stamps.....	545	924
1609-1610			
1583-1585			

D CASES—DEPREDACTIONS.

The D series of cases represents principally the subjects given as captions in the following table, which is a comparative statement of the cases jacketed under those headings for the past five years:

Year.	Robberies.			Postal cars burned or wrecked.	Post-offices burned.	Mail pouches (lost, damaged, rifled, and failure to recover).
	Post-offices.	Railway post-office service, star routes, rural delivery routes, screen wagon service.	Letter boxes, street and rural delivery.			
1904.....	1,593	60	940	66	560	2,397
1906.....	1,581	26	1,069	113	549	2,535
1906.....	1,802	16	1,069	131	539	3,111
1907.....	1,577	15	1,055	147	500	5,444
1908.....	1,521	32	1,451	162	539	5,246

The increase in the number of D cases is given consideration under the subject of arrests.

F FILES—FOREIGN.

The F files represent complaints concerning tampering with, loss, or rifling of matter mailed in or addressed to post-offices in the United States with the office of origin or destination in a foreign country. This series of complaints is handled by correspondence direct from this office, except in instances when the complaint can not be adjusted by correspondence. On such occasions the file is converted into a case and referred to the field for investigation by an inspector. It required 19,164 translations during the fiscal year 1907, and 23,804 translations during the fiscal year 1908, to conduct the correspondence necessary with foreign postal administrations in the handling of these files.

I CASES—INSPECTIONS.

The I series of cases represents the annual inspection of money-order offices. As there were 33,379 money-order offices (not including stations) in operation June 30, 1907, the inspections covered practically every money-order office which had been in operation a year. That there were more cases closed than jacketed is accounted for by the fact that there were 4,689 cases outstanding at the close of the preceding fiscal year.

R CASES—REWARDS.

The R series of cases represents the claims filed under the Postmaster-General's offer of reward for information leading to the arrest and conviction of persons on the charge of robbing, or attempting to rob, the mails, robbery of post-offices, etc. There were 83 such cases jacketed during the year and 80 were investigated. In 5 of these the claims were rejected and in 75 the claims were allowed; the total of the rewards paid amounted to \$9,735.

S CASES—SURETIES.

The S series of cases represents the requests of the First Assistant Postmaster-General for information as to the responsibility of sureties on postmasters' bonds.

R E AND R I CASES—RURAL.

The R E and R I cases represent requests of the Fourth Assistant Postmaster-General for investigation as regards the establishment of rural service and the inspection of existing rural service, respectively.

COLLECTIONS.

In connection with their investigation and handling of cases, inspectors are authorized to collect for the loss or rifling or, or damage to, mail, wrong payment of money orders, shortages in postal or money-order accounts, penalties for violations of the regulations, and sums due the Government on account of false returns of cancellations, etc. There being no question as to the ownership of postal and money-order funds collected by inspectors, these funds are not forwarded to the department but are remitted direct by the inspectors to the proper depository. As these two items constitute the larger part of the collections made, the total amount handled in the field exceeds the total amount handled by the chief inspector. As the cases in which the collections involve the question of responsibility and discipline must receive the approval of the chief inspector before disbursement is made, except collections on account of the wrong payment of money orders, the money is forwarded to the department. In accordance with your desire to cooperate with the recommendations made by the Joint Commission on Business Method of the Post-Office Department and the Postal Service, all of the moneys now collected by inspectors and sent to the chief inspector are deposited with the superintendent of the division of finance, Office of the Third Assistant Postmaster-General, for disbursement. On July 1, 1908, all cash on hand and on deposit in bank to the credit of the chief inspector, was disposed of in the same manner. This division no longer has a bank account, except a sufficient amount to meet outstanding checks issued prior to July 1, 1908. The following table shows the total collections for the past five years:

Year.	Total field collections.	Handled by chief inspector.	Number of checks issued.
1904.....	\$350,304.72	\$33,772.92	1,375
1905.....	479,913.54	63,942.34	2,080
1906.....	515,540.23	78,699.42	2,816
1907.....	615,270.59	117,787.04	3,049
1908.....	632,546.09	96,955.79	2,911
Total.....	2,593,575.17	391,157.51	12,211

The decrease in the amount of collections handled by the chief inspector during the past year is attributed entirely to the fact that there was a decrease in the number of cases jacketed alleging the vio-

lation of section 484. In nearly all of these cases there is a collection of \$10 or a multiple thereof (\$10 being the penalty fixed by law for each violation), and a reduction in the number of such cases jacketed affects materially the collections.

ROBBERIES AND ARRESTS.

A comparison of the number of robberies reported during each of the past five years (* * * D cases) shows a fluctuation. Burglars or yeggmen are systematic in their operations and after a year of great activity, in the endeavor to avoid suspicion and escape punishment, they either reduce the number of operations or change their base to a new field, which has a tendency to reduce the number of robberies until they become familiar with the territory and its conditions. The number of robberies reported during 1907 was 2,647, and during 1908 was 3,304, or an increase of 657, nearly 25 per cent. The total number of arrests during 1907 was 1,984, and the total number of arrests during 1908 was 2,548, or an increase of 564, more than 28 per cent. It will thus be seen that there has been more than a corresponding number of arrests. The disposition of those arrested was as follows:}

Discharged by grand jury.....	169
Discharged at preliminary hearing.....	175
Proceedings dismissed.....	112
Tried and acquitted.....	89
Died awaiting trial.....	13
Forfeited bail.....	13
Escaped from custody.....	10
Convicted.....	1,174
Cases pending.....	793
Total.....	2,548

The Assistant Attorney-General approved claims for reimbursements on account of losses by burglars amounting to \$107,572.63, of which \$19,482.94 was for postal funds, \$74,056.49 was for postage stamps, and \$14,033.20 was for money-order funds. Closely associated with the consideration of the increase in the number of robberies, is the penalty provided by law for the conviction of a person of robbery of a post-office. The maximum penalty for such conviction, five years, is so small that many professional robbers, or even vagabonds, would not hesitate to rob a post-office as only in a few instances are they unsuccessful in their work, and in many cases they are well paid for their trouble even if they are convicted and sentenced to the full extent of the law. As an idea of the amount secured in the robbery of some post-offices, I give below the largest claims for loss of government funds on account of robberies:

Post-office.	Stamps.	Postal funds.	Money-order funds.	Total.
Winchenden, Mass.....	\$2,806.81	\$76.76	\$308.74	\$3,372.31
South Pittsburg, Tenn.....	2,786.64	118.48	220.85	3,125.97
Everett, Wash.....	2,233.27	91.45	.....	2,324.72
Atties, Ind.....	2,763.47	.....	.....	2,763.47
Eufaula, Ala.....	1,958.76	342.33	451.93	2,753.02
Las Vegas, Nev.....	1,650.32	650.70	354.78	2,655.80
Maryville, Tenn.....	1,362.55	229.62	141.61	1,833.78

As in addition to the above amounts registered and ordinary letters are nearly always rifled, and key-deposit and personal funds are secured, it is quite apparent that the robbers are well repaid for their work. Then, in contemplating a robbery, the criminal always magnifies in his opinion the chances for escape and therefore gives but little heed to the question of punishment, especially so when the maximum sentence is so small. I believe that a greater maximum sentence would have a very beneficial effect.

CHANGES IN DIVISION HEADQUARTERS.

During the past fiscal year the division headquarters at New Orleans, La., was moved to Austin, Tex., to secure a more advantageous handling of the work. The San Juan division headquarters was discontinued and the Atlanta, Ga., division headquarters was established in lieu thereof for the betterment of the service. Both changes have proven satisfactory.

INCREASE IN BUSINESS.

The departmental force of this division has not been increased since July 1, 1907, yet the business transacted has increased steadily. The rate of increase in the number of cases jacketed during the fiscal year 1908 over the fiscal year 1906 was 19.8 per cent, and the rate of increase in the number of cases closed during the same period was 17.8 per cent. The rate of increase in the correspondence during the fiscal year 1908 over the fiscal year 1907 was 8.2 per cent. Only by the adoption of modern methods have we been able to keep up with the growth. However, the limit has about been reached and unless the force is increased as recommended in the estimates for 1910, it will be impossible to handle the work.

ASSISTANT CHIEF INSPECTOR.

Owing to the complex work of this division and the necessity for closer supervision therein, as well as to provide adequately for the supervision of the field force during the absence of the chief inspector and in cases of emergency, I recommend that the position of chief clerk of the division of post-office inspectors be abolished and in lieu thereof the position of assistant chief inspector be established. The duties of this position differ from those of the ordinary division chief in that to it is assigned not only the responsibility of the supervision of the clerical force attached to the division in the department, but also often the supervision and direction of the entire field force, and a position carrying the title, rank, and salary commensurate with the duties and responsibilities is a prime necessity in view of the conditions, as well as in the interest of a more compact and efficient organization.

SALARY OF INSPECTORS.

All of the arguments advanced in the past few years for, and which have resulted in, the increase in the salary of those engaged in public and private employment are applicable to post-office inspectors. It is both unjust and unreasonable to ask that a man should fit himself for

the arduous duties of an inspector and then ask that he work for a salary only equal to that paid for delivering mail in a restricted district. The inspector, unlike other employees in the postal service, is rarely permitted to visit his family, and on account of this and many other hardships endured, that class of experienced postal employees so much needed no longer seeks this service. The prospects are not very flattering to the man who enters the service at \$1,200 a year and who can not hope to get a promotion until there is death, resignation, or removal at the top. This arrangement is wrong and unfair, and produces a direct loss to the department in that merit—the great personal equation—can not be rewarded properly. An inspector's promotion should depend absolutely upon his own efforts and experience, and when the postal revenues will warrant a reclassification this branch of the service should receive just consideration.

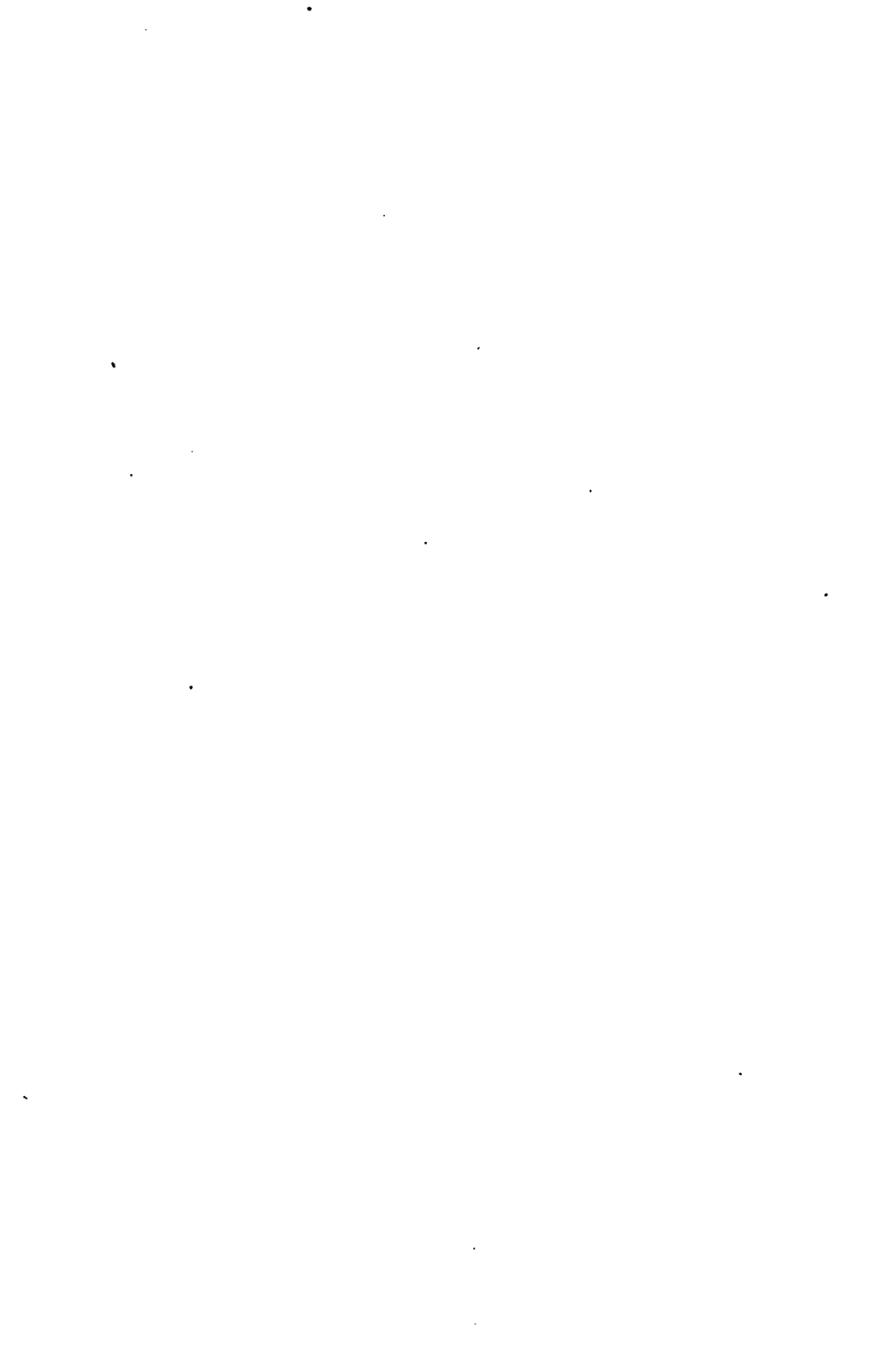
It will be the aim of this division to devote a large part of the inspectors' time to the education of postal employees in the scientific handling of mails and to a thorough renovation of the postal service. It is believed that considerable waste of labor can be eliminated and the mails expedited by a closer application of the inspectors' energies. The inspector who can not or will not become a postal expert must seek other employment.

Respectfully,

FRANK E. McMILLIN,
Chief Inspector.

The POSTMASTER-GENERAL.

REPORT
OF THE.
FIRST ASSISTANT POSTMASTER-GENERAL
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908



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REPORT

OF THE

FIRST ASSISTANT POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
OFFICE OF THE FIRST ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., November 23, 1908.

SIR: I have the honor to submit the annual report of this bureau for the fiscal year ended June 30, 1908, and to invite your attention to a number of recommendations which are believed to be in the interest of the service.

GROWTH OF THE SERVICE.

The gross revenue of the postal service for the last fiscal year amounted to nearly \$191,500,000, an increase of more than \$7,500,000, or 4.29 per cent. While the ratio of increase was less than for any year since 1899, the increase in the number of presidential offices (for which most of the appropriations under this bureau are made) was greater than ever before. On July 1, 1908, the number of presidential post-offices was 6,846, of which 384 were first class, an increase of 26; 1,595 were second class, an increase of 86; and 4,867 were third class, an increase of 382, making a total increase of 494. During the year 2,193 post-offices were established and 3,694 were discontinued, leaving a total of 61,158 post-offices in operation on June 30, 1908. The number of postmasters appointed at presidential offices was 2,174. Of these appointments 623 were at offices advanced to the presidential class during the year. At offices of the fourth class 11,945 postmasters were appointed.

The number of assistant postmasters at first and second class offices increased from 1,716 to 1,862. The clerical force at first and second class offices increased from 26,447 to 29,314, and the number of letter carriers at city delivery offices from 24,577 to 26,352, a net increase of 2,867 clerks and 1,775 carriers. Of the additional clerks appointed, 228 were assigned to the new second-class offices. In a great majority of these offices the clerks had been employed during the preceding year and paid by the postmasters largely from their personal funds. There were 7,114 clerks appointed during the year and 2,794 letter carriers. Of this number of clerks 4,247 were appointed to fill vacancies and 2,867 to new positions, while 1,008 carriers were appointed to fill vacancies and 1,786 to new positions.

The aggregate salaries of the additional clerks appointed during the year amounted to approximately \$1,555,000, and of the carriers to nearly \$559,000. The saving effected by the appointment of clerks

at \$600 to fill vacancies caused by separations from higher grades amounted to about \$150,000, and the saving due to failure to fill vacancies promptly and to unexpended amounts deducted from the salaries of absent clerks was approximately \$115,000. Similar figures for the carrier service are \$175,000 and \$125,000, respectively. The increased expense due to the payment for the entire year of the salaries of employees appointed for a portion of the preceding year was about \$506,000 for clerks and \$465,000 for carriers. The net amount required for the promotion of clerks under the new salary law was nearly \$2,071,000, and of carriers nearly \$1,909,000, while the expense of promoting supervisory officers paid from the clerk-hire appropriation was \$39,200. The net increase in the expenditures for clerk hire was \$3,906,076, making the aggregate expenditures \$25,980,482, and for letter carriers \$3,034,941, resulting in a total cost of \$25,200,141, including the expense for substitute, auxiliary, and temporary carriers, which was about \$402,000 greater in 1908 than in 1907. The city delivery service was established at 92 offices with 282 carriers, at an expense of \$57,336. The number of city delivery offices at the close of the fiscal year was 1,330.

APPOINTMENT OF POSTMASTERS.

Under the present policy of the department postmasters at offices of the fourth class are not changed periodically, but are retained as long as satisfactory service is rendered the public and the department. Postmasters at presidential offices are appointed for a term of four years, and the policy of reappointing those whose records have been satisfactory has resulted in decided benefit to the service. No large corporation could possibly manage its affairs successfully if its administrative officers were changed frequently, and the same principle applies to the postal service.

It is believed that the appointment of postmasters at offices of the second and third classes should be vested in the Postmaster-General, as heretofore recommended. This would reserve to the President the appointment of postmasters at the more important offices, those of the first class, and would relieve him of routine work that is merely a tax upon his time.

NAVY MAIL CLERKS.

The post-office appropriation act approved May 27, 1908, authorized the Post-Office Department to designate as "navy mail clerks" and "assistant navy mail clerks" enlisted men selected by the Secretary of the Navy, and provided that such clerks should make delivery of all mail addressed to naval vessels, receive and dispatch mail, receipt for registered matter, keep for sale an adequate supply of postage stamps, and perform such other postal duties as might be authorized by the Postmaster-General. It was further provided that navy mail clerks and assistants should take the oath of office as employees of the Post-Office Department, should give bond in the sum of \$1,000 for the faithful performance of their duties, and should be paid by the Navy Department, as compensation for their services, in addition to the pay of the grade in the navy to which they were assigned, a sum not to exceed \$500 per annum in the case of navy

mail clerks, and not to exceed \$300 per annum in the case of assistant navy mail clerks.

Upon the recommendation of the Secretary of the Navy 64 clerks and 29 assistants have been already designated for service on board 64 naval vessels. Instructions for their guidance have been promulgated and they have been supplied with post-marking stamps and with postage stamps and stamped envelopes.

POSTMASTERS' ASSOCIATIONS.

In addition to the National Association of Postmasters of the First Class, the National Association of Postmasters of the Second and Third Classes, and the National League of Postmasters of the Fourth Class, nearly every State has a State association, in some cases several associations. Undoubtedly the annual meeting of postmasters in convention is most advantageous to the service. The department has encouraged these meetings by sending representatives to join with the postmasters in discussing postal affairs and making plans for the betterment of the service. The conventions, however, would have a larger attendance and their influence would be thereby extended if there were not so many associations and such frequent meetings. It is believed that better results would follow if a number of associations would consolidate, following the example of the Postmasters' Association of New England, which is made up of officials from the six New England States, all postmasters and assistant postmasters at presidential offices in these States being eligible for membership. It is, of course, impossible for department officials to attend meetings in forty-six States, and hence the suggestion for reducing the number of meetings each year.

POSTMASTERS' SALARIES.

Attention is again invited to the need of amending the law under which the salaries of presidential postmasters are readjusted annually on the basis of the gross receipts for the four quarters ending March 31 each year, to take effect at the beginning of the next fiscal year. As stated in the annual report last year, the intervening period is not sufficient, now that the number of presidential offices has increased so largely, to permit of this work being done with the degree of accuracy and deliberation that its importance demands. It is therefore recommended that the salaries of presidential postmasters be fixed on the basis of the gross receipts for the calendar year, thus allowing six months within which to effect the readjustment. When the present law was enacted there were 2,193 offices of the presidential class; now there are 6,817.

The present law provides that a post-office of the fourth class shall be advanced to the presidential class when the postmaster's compensation has been \$250 in each of four successive quarters, provided the gross receipts for the same period were not less than \$1,900. If the compensation falls below \$250 in any one quarter, the office can not be advanced, nor can the postmaster receive a salary in excess of \$1,000, notwithstanding that the gross receipts may amount to several thousand dollars. The law works an injustice to the postmaster at an office where a large amount of business is transacted in two or three

quarters and where the business falls off in the remainder of the year, as at summer and winter resort offices. It is especially desirable to have these offices in the presidential class, since the patrons are more exacting and more difficult to serve than at the ordinary fourth-class office. As long as a post-office remains in the fourth class, the department can not make any allowance for rent or regular clerk hire, and in the majority of cases the office is conducted in connection with some other business, which results in a condition that is highly unsatisfactory to the patrons. The law should be amended so as to provide that an office shall be advanced to the third class whenever the annual compensation of the postmaster amounts to \$1,000 and the gross receipts to \$1,900. The number of offices that would be affected by the proposed change in the law is comparatively small, and the additional expense involved for salaries would be insignificant.

No satisfactory plan has yet been devised for adjusting the compensation of postmasters at offices of the fourth class in a more equitable way than that provided by the current law, under which the compensation is based on commissions on the value of the stamps canceled. The present method, however, is cumbersome, involving a large amount of unnecessary work in both the post-office and the auditor's office, and is open to the very grave objection that it invites fraud.

The extension of the rural delivery service will in time effect a partial solution of this problem, especially if the plan of establishing a local parcel-delivery system on rural routes is adopted, since the resulting increase in revenue will be sufficient in a majority of cases to raise the offices to the presidential class.

The establishment of the rural delivery service has brought about a condition that works a hardship on postmasters at fourth-class offices and to some extent at the small third-class offices. It has increased the volume of incoming mail in much larger proportion than the outgoing mail, on which the postmaster's compensation is based. It is estimated that a small office having rural routes receives four or five times as much mail as it sends out. It would seem that this fact should be taken into consideration in fixing the postmaster's compensation, or that the department should have authority to allow clerk hire, for the same reason that allowances are made for the handling of transit mail at separating offices. The two conditions are exactly similar. At separating offices allowances are based on the number of pieces of transit mail handled for which the postmaster receives no pay in commissions. An amendment to the present law making the appropriation for separating service available for clerk hire at offices where the amount of mail received and delivered on rural routes is largely in excess of the amount of mail dispatched would be equitable.

Where small offices are located in the vicinity of city delivery offices, it has been the policy of the department, when feasible, to make them branches of the city delivery offices. This solves the question of compensation by making the former postmaster a salaried employee of the city delivery office. However, the present law, as stated elsewhere in this report, prohibits the establishment of branch offices or stations, in place of post-offices, more than 5 miles beyond the corporate limits of the city to which such branches or stations would be

attached. By the repeal of this restriction a large number of fourth-class offices could be eliminated with advantage to the public through better postal facilities, and with decided benefit to the service from both administrative and accounting standpoints.

BONDS OF POSTAL EMPLOYEES.

All postmasters are required to furnish a satisfactory bond before entering upon their duties. The amount of the bond ranges from \$500 to more than half a million dollars. Assistant postmasters at presidential offices, cashiers, all other supervisory and clerical employees at first and second class offices who have any financial responsibility, and city letter carriers are also required by law to give bond. Many other employees, including rural letter carriers and railway mail clerks, are required to give bond under the regulations of the department.

The sureties on the great majority of bonds of officers and employees other than postmasters are corporations, and the premiums charged probably average \$1 for each \$1,000 of the bond. Postmasters are required to give personal sureties, and at least one of the sureties must be a patron of the post-office to which the suretyship relates. At offices of the first and second classes surety companies are accepted for one-half the penalty of the bond. It is the usual practice, however, where a personal bond is given, for the postmaster to furnish to his bondsmen an indemnity bond from a surety company. The giving of bonds therefore costs postal officers and employees a large sum in the aggregate, the premiums on the bonds being sufficient to pay many times over all the losses that occur through defalcations. It is apparent that the execution, acceptance, and filing of these bonds entails a vast amount of clerical work. The average annual collections from surety companies and individual bondsmen on account of defalcations of postmasters and employees amount to less than \$32,000. The salaries of employees in this bureau alone who are engaged on work incident to the bonding of postmasters, assistant postmasters, clerks, and letter carriers amount to over \$20,000 per annum.

It is estimated that the total penalty of postmasters' bonds is \$125,000,000. The amount of the bonds furnished by surety companies for assistant postmasters at first, second, and third class offices and for clerks at first and second class offices is about \$40,000,000. The bonds of city letter carriers aggregate about \$35,000,000. The total for the officers and employees whose bonds are handled in this bureau is therefore about \$200,000,000. At the rate of \$1 premium for each \$1,000 of bond the annual payments to surety companies would be \$200,000. It is estimated that the number of bonded officers and employees in the entire postal service, including mail contractors, is 238,513, and the estimated amount of the premiums paid on the bonds is \$320,000.

In most instances these officers and employees must furnish a satisfactory bond before entering upon their duties. This necessarily consumes time and entails labor. If, therefore, the department can do away with the system of bonding employees, a considerable amount of time and work will be saved. Many private corporations collect

an indemnity fund from their employees instead of requiring bonds. The same system prevails in the Canadian postal service, and it is believed that the plan would give excellent results in our own service.

It is recommended therefore that the attention of Congress be called to the need for legislation that will enable the department, instead of requiring bonds as at present, to collect an indemnity fund from the officers and employees of the postal service at a rate not exceeding \$1 per annum on each \$1,000 of insurance required, this fund to be deposited in the Treasury, subject to withdrawal on the Postmaster-General's order to make good any losses that occur through the defalcations of the persons insured. Every officer or employee contributing to the indemnity fund would have a direct and personal interest in the integrity of his fellows, a fact entitled to considerable weight in balancing the advantages and disadvantages of the proposed plan. Among the other advantages of the system proposed are, first, the facility with which losses could be adjusted without resort to the courts; second, the labor saved by dispensing with the periodical examination of personal bonds to ascertain the sufficiency of the sureties thereon; and, third, the protection afforded subordinate employees against increasing premiums on corporate-surety bonds.

COMPENSATION OF SUPERVISORY OFFICERS IN POST-OFFICES.

In the last annual report of this bureau attention was called to the inadequacy of the salaries paid supervisory officers in post-offices, and a new classification of supervisory positions was suggested providing for somewhat higher maximum salaries. The increases in the pay of clerks and carriers under the new salary law, and especially the number of promotions to the \$1,200 grade provided for by the appropriation act for the current fiscal year, have brought out more clearly the necessity for additional compensation for the supervisory officers. In many cases letter carriers receive the same salary as their superintendents, and subordinate clerks are paid as much as their foremen.

Should the new classification be adopted by Congress, the department will not ask for an appropriation sufficient to pay the maximum salaries fixed by the proposed measure, but will merely request that provision be made for increases of \$100 for those employees whose compensation is manifestly too low, and that their pay be thus gradually raised from year to year in proportion to the importance of the positions they hold. The estimates that have been submitted contain no provision for even such increases, but it is believed that if the law is amended as suggested and provision is made for a number of additional positions in the higher grades, the increases in salary can be authorized without an additional appropriation, as the granting of better salaries to supervisory officers will undoubtedly result in better supervision and will thus effect economies in other directions.

COMPENSATION OF EMPLOYEES WHERE CONDITIONS ARE UNUSUAL.

The law provides that the initial salary for clerks and carriers at first and second class offices shall be \$600, and in the great majority of post-offices the salary is sufficient, in view of the provision for advancement

to \$800 after one year's satisfactory service. In certain sections of the country, however, particularly in the mining districts of the West, where the wages paid in other lines of employment are high and the demands for labor great, it has been impossible to obtain the services of competent men at \$600. In such cases it has been necessary to employ temporary clerks and carriers at the rate of 30 cents an hour, payable from the appropriation for temporary and auxiliary service, or to make an allowance from the appropriation for unusual conditions.

This bureau renews the recommendation made in its last annual report that the law be amended so as to make clear the department's authority to appoint clerks and carriers, where necessary, at such rate of compensation within the grades prescribed by law as may be required to insure a proper conduct of the postal business.

EFFECT OF THE NEW SALARY LAW.

The new salary law, which provides for the annual promotion of clerks and carriers for faithful and efficient service, had been in operation a full year on June 30, 1908, and resulted in the promotion of 19,880 clerks and 23,503 carriers during the four quarters of the year, as follows: 15,825 clerks and 19,792 carriers on July 1, 1907; 1,459 clerks and 1,190 carriers on October 1, 1907; 1,436 clerks and 1,342 carriers on January 1, 1908, and 1,160 clerks and 1,179 carriers on April 1, 1908. Although these promotions represent a large outlay of money, it is believed that the expenditures are justified by the increased efficiency of the employees affected, which has resulted in an improved service and in a relative decrease in the number of additional employees required.

EFFICIENCY RECORDS OF POST-OFFICE EMPLOYEES.

Continued attention has been given to the problem of providing a method by which the department can comply more strictly with the new salary law by assuring itself that a reasonably high and uniform degree of efficiency has been attained by all employees recommended for promotion. After considering carefully the numerous suggestions and criticisms offered by postmasters with respect to the proposed system the department has decided to install it, with some modifications, in all city-delivery post-offices for thorough trial, and has issued forms and instructions for that purpose.

The principal objects of the plan are (1) to provide a convenient means of recording from day to day the various acts and omissions that make employees' service satisfactory or unsatisfactory and to combine the record annually into a general rating, instead of depending on the supervisory officer's memory of a year's work, and (2) to advise the postmaster of the department's judgment as to the weight to be accorded to every such act and omission in deciding the question of promotion, while allowing him to consider duly any extenuating or aggravating circumstances. The necessity for some such method is clearly shown by the wide variation in the disciplinary action recommended by different postmasters for the same misdemeanor. Thus, for the first case of intoxication on duty one postmaster consistently

recommends immediate removal from the service, while another suggests reduction in salary only after the second or third offense.

The plan provides for rating employees on the speed and accuracy with which they perform their work from day to day, on their conduct, or faithfulness in observing the postal laws and regulations and the office rules published for their guidance, on their promptness and regularity in attendance, and on the thoroughness with which they prepare themselves for their work by becoming familiar with the regulations and instructions pertaining thereto, and in the case of distributors with the necessary schemes of distribution.

The rating on average speed or quantity of work performed is to be based on the supervisory officer's observation, supplemented when practicable by actual counts of the amount of work done during representative brief periods. Accuracy, conduct, and attendance are to be marked by making deductions from the speed rating for errors, misconduct, tardiness, and absence in excess of thirty days in one fiscal year when not due to illness or other unavoidable cause. Knowledge of duties and of distribution schemes is to be rated by means of examinations. On such examinations a certain standard will be required and credits will be given for higher records.

The plan of basing the rating so far as possible on definite penalties imposed for tangible delinquencies is believed to have decided advantages in that it places dependence on specific rather than general impressions of the rating officer and eliminates his memory as a factor in the result. However, the difficulties that attend the assignment of weights to the various delinquencies have proved to be serious. It is necessary to take into account not only the possible consequences of the fault and the ease with which it can be committed but also the likelihood of its being detected and traced to the delinquent employee. The weights fixed in the published schedule of demerits represent the best judgment of the department as to the penalty that should ordinarily be imposed for the delinquencies specified. It is fully realized, however, that the seriousness of every offense against discipline and of the majority of errors varies widely with the circumstances under which the fault is committed. Postmasters have therefore been authorized to use considerable discretion in imposing penalties in special cases, while following the published schedule under ordinary circumstances and departing therefrom only for definite reasons. They have also been instructed to be less stringent in marking the errors of employees whose duties are much varied than of those who are assigned continuously to a single task.

In order to assist employees in preparing for examination on their knowledge of their duties the department expects to issue pamphlets of instruction covering the work of the several divisions of the post-office. It is also considering the plan of preparing the examination questions for the entire service, in order that all employees doing the same work may stand the same test.

Numerous modifications of the proposed system have been suggested by postmasters, among the most frequently offered being the addition of credits on account of continued good conduct, exceptionally meritorious service, and the like, and of ratings on application, industry, or effort, as distinguished from actual accomplishment. These suggestions have received careful consideration, but it has not been deemed advisable to incorporate them into the plan at

present. If experience demonstrates the necessity for changes they will be promptly made.

A number of postmasters have protested against the imposition of demerits for absence without pay, urging that leave of absence is not granted except for good reasons, and that the employee is sufficiently penalized by the loss of his salary while he is off duty. On the other hand it is urged that frequent absence unquestionably decreases an employee's usefulness, and that the absentee's work is seldom done satisfactorily by the substitute paid out of his salary. It is not considered that any penalty should be imposed for unavoidable absence without pay, but in view of the fact that the new salary law provides for promotion only upon evidence of a year's satisfactory service the department can not justify itself in authorizing the promotion at the end of a year of an employee who has failed to render service during any considerable part of that time. It has therefore been provided that an employee who has been absent for ninety days or more during the year following appointment or promotion shall not become eligible for the next promotion until the completion of another quarter's service; that one who has been absent one hundred and fifty days or more in the year shall not become eligible for promotion until the completion of two more quarters' service, etc.

The department also feels that for the good of the service unnecessary absence should be discouraged. It has therefore prescribed a moderate penalty for absence in excess of thirty days in one fiscal year when not due to illness or other unavoidable cause. The policy of allowing without penalty fifteen days' leave in addition to the fifteen days with pay provided for by law has been adopted because the majority of the employees in the federal service receive thirty days' annual leave of absence, and the department is in favor of extending the same rule to the postal service.

Since frequent absence for brief periods is more troublesome to the department and usually less excusable than continued absence at one time, it has been thought best to provide a greater penalty for the first day of a period of absence than for succeeding days of the same period.

It is not expected that the new plan will prove uniformly satisfactory in the beginning, but it is hoped that with the help of experience and the support of the officers and employees of the service it may be so perfected as to become a valuable aid to postmasters in forming their judgments as to the efficiency of their employees according to the standards that are just and uniform throughout the service.

ANNUAL LEAVE FOR POST-OFFICE EMPLOYEES.

Under the law employees of the executive departments in Washington may be allowed thirty days' annual leave with pay, exclusive of Sundays and holidays, and in case of sickness thirty days' additional leave with pay. Post-office clerks and city letter carriers are entitled by law to fifteen days' leave with pay, exclusive of Sundays and holidays. The recommendation was made last year that the leave of absence with pay allowed by law to employees of the postal service be increased to thirty days. These employees are required to work Sundays and holidays and at all hours of the night. In the case of

post-office clerks, during the holiday season they are frequently on duty from ten to fifteen hours daily, and if they are sick their pay is forfeited. If other employees of the Government may be granted thirty days' leave with pay, and in case of sickness an additional leave of thirty days, surely the hard-working post-office clerks and city letter carriers are entitled to at least thirty days' leave with pay as a maximum.

Post-office clerks and letter carriers should be placed on a par in this regard with employees in other branches of the federal service, and it is confidently believed that the improved health and increased vigor and enthusiasm of the employees would justify the cost of the change. Like every other improvement in the conditions of employment, it would tend to bring better men into the service.

In the case of post-office clerks it is in most instances feasible to grant leave of absence with pay during the dull season of the year without any expense, by requiring the clerks on duty to render extra service and do the work of those on leave. The entire appropriation for substitutes for clerks on vacation is only \$110,000. In the case of letter carriers, however, the practice has been to allow a substitute in place of each carrier every day of his annual vacation, so that the expense of allowing a carrier fifteen days leave with pay (including intervening Sundays and holidays) would be about \$40, or for the 26,352 carriers in the service on June 30, 1908, more than \$1,000,000 per annum. Believing that the cost of carriers' vacations could be decreased by reducing the number of collections and deliveries in residential districts during the heated term when many of the patrons are away from home, an experiment was tried last summer to ascertain how much could be saved in this way without impairing the efficiency of the service, with the result that an economy of more than \$100,000 was effected. It is believed, therefore, that if authority is given the department to allow clerks and carriers not to exceed thirty days leave of absence with pay in each fiscal year, the expense will not be by any means double the cost of allowing them fifteen days' leave under present conditions.

HOURS OF SERVICE OF POST-OFFICE EMPLOYEES.

It has been the policy of the department to limit the average daily hours of service of post-office clerks as nearly as possible to eight, and to have only such work done on Sundays as is necessary to prevent delay in the transmission of the mails and inconvenience to the public. As a result, the service is practically on an eight-hour basis so far as the larger post-offices are concerned. At the smaller offices it is not always feasible to establish an eight-hour schedule without increasing the allowance for clerk hire in excess of the needs of the office, owing to the early and late arrival and departure of mails, requiring the office to be kept open for the greater part of the twenty-four hours. However, instructions have been issued to postmasters in such cases to allow the clerks brief periods off duty at times when mails are not being received or dispatched. In the larger cities and at transfer points it is necessary to have much of the mail distributed at night, and during the holiday season, when the volume of mail is largely increased, extra efforts on the part of post-office employees are required and often extra hours, since much of the work can be done only

by experienced clerks. In the case of distributors and mailing clerks study after hours is necessary, in order that they may perfect themselves in their schemes of distribution. It is therefore important in the interest of health that the clerks be given regular hours and that their schedules be so arranged that they will alternate on Sundays and holidays.

CLERK HIRE AT THIRD-CLASS OFFICES.

The appropriation for the current year for clerk hire at post-offices of the third class was increased from \$850,000 to \$1,150,000, and the appropriation for temporary and auxiliary clerk hire, heretofore provided for first and second class offices only, was made available for summer and winter resort offices of the third and fourth classes also. While the appropriation is not sufficient to cover the entire cost of clerk hire at third-class offices, and postmasters are still compelled to expend a portion of their salaries in employing clerks, the increase in the appropriation has enabled the department to adopt the following average scale of allowances:

Salary of postmaster.	Allowance.	Salary of postmaster.	Allowance.
\$1,900.....	\$500	\$1,400.....	\$180
1,800.....	444	1,300.....	144
1,700.....	360	1,200.....	120
1,600.....	300	1,100.....	108
1,500.....	240	1,000.....	96

It is not possible to allow the full amount authorized by law, since the appropriation is not sufficient. To do so would require more than \$2,000,000 annually. It should be borne in mind that there is no appropriation for the payment of miscellaneous expenses at third-class offices, and therefore the postmaster is compelled to pay all of these expenses, including a part of the clerk hire, from his personal funds.

BRANCH OFFICES AND POSTAL STATIONS.

Numbered stations transact money-order and registry business and sell postal supplies, but do not receive or dispatch mail. Stations designated by letters or local names and branch post-offices also receive and dispatch mail and, in fact, have all the functions of a post-office.

Section 3871 of the Revised Statutes provides that the department may establish within any post-office delivery branch offices for the receipt and delivery of mail matter, but the act of June 3, 1896, prohibits the establishment of branch offices or stations outside the corporate limits of a city except in the case of cities, towns, or villages of 1,500 or more inhabitants, located within 5 miles of the city limits. No such restriction exists, however, with reference to the extension of free-delivery service. The department is thus placed in the anomalous position of being able to deliver mail from door to door and at the same time of being forbidden to supply the district so served with the other usual postal conveniences. Instances could be cited in which this provision has worked decided injustice to growing communities located immediately adjacent to the limits of large cities.

If the department had authority to establish branch offices in lieu of post-offices without regard to the distance from the main office it would be possible to reduce materially the number of post-offices and at the same time improve the service by giving the smaller offices better facilities and better supervision. The Boston postal district, for example, comprises 16 separate municipalities, served by 30 branch offices, all managed and supervised by the postmaster of Boston and his aids. The principal objection usually raised to making a small post-office a station of a large office is that the village or town loses its separate identity. This objection has been overcome by the simple expedient of designating postal stations outside of the corporate limits of cities as branch offices and retaining the name in the Postal Guide and on the postmarking stamps; in other words, by continuing them as separate post-offices in every respect but their internal management and accounting.

The present method of compensating postmasters at offices of the fourth class, while perhaps as equitable as any system that could be devised, is extremely cumbersome and involves a large amount of unnecessary labor in settling the accounts of these offices. The opportunities for fraud are numerous and frauds are hard to detect, since the postmaster practically audits his own accounts. Therefore any plan to reduce the number of such offices is worth considering. Furthermore, at small presidential post-offices contiguous to large cities there have been reported many cases of irregular sales of stamps made with a view to increasing the postmaster's salary, and notwithstanding the vigilance of the inspectors it is not always possible to detect irregularities of this character. It is therefore very desirable to make stations or branches of all post-offices located in the vicinity of large cities, and thus not merely to take away the incentive to fraud, but to make fraud impossible.

In the preliminary report of the Postal Commission the expert accountants strongly advocate fixed salaries for postmasters at fourth-class offices and a material reduction in the number of accounting offices. To make such offices branches of neighboring larger offices is believed to be the most satisfactory way of accomplishing both of these ends. Since Congress vested in the department authority to establish post-offices wherever the public convenience requires, it would seem that the authority to establish branch offices should not be restricted, especially when it is conclusively proved that the branch office will serve the public better and more economically. It is therefore recommended that the department be given authority to establish branch offices without restriction.

POSTAL FACILITIES IN NEW YORK CITY.

The New York post-office furnishes nearly one-tenth of the entire postal revenue. To handle the enormous and constantly growing postal business of that city requires each year greater effort and increased expenditures. The post-office building is entirely inadequate. The department has been able to afford relief only by establishing stations and branch offices throughout the city. There are now in operation 40 carrier stations, and the rent of suitable quarters for these stations for the current year will amount to more than \$500,000.

HUDSON TERMINAL STATION.

In previous reports attention has been called to the congestion in the workroom of the New York office, and numerous efforts have been made to find a remedy for the unsatisfactory conditions. The situation finally became so intolerable that it was necessary to move the entire mailing division out of the post-office building proper, and accordingly a lease was entered into for the second floor of the terminal building of the Hudson and Manhattan Railroad Company on Church street, between Cortlandt and Dey streets, containing about 35,000 square feet of floor space, the annual rental being \$75,000. The transfer of the mailing division to these new quarters, to which the designation "Hudson Terminal Station" was given, was effected on July 1 last, and that division now occupies a room of ample area, well lighted and equipped. The new station, which is located directly above the end of the tunnel that connects the Jersey City terminals of the Pennsylvania, Erie, and Lackawanna railroads with New York, is 4 blocks from the main office. An elaborate system of elevators, chutes, and conveyors for expediting the handling of mails is also being put into operation.

The quarters formerly occupied by the mailing division in the main post-office are to be used by other divisions as soon as certain structural changes are completed. It is hoped that it will be practicable to vacate the Hudson Terminal Station when the new post-office building at the Pennsylvania terminal is completed, and thereby relieve the appropriation for rent, light, and fuel of this large expenditure.

NEW QUARTERS FOR STATION H.

In the act of Congress making appropriation for the service of the Post-Office Department for the fiscal year ended June 30, 1905, an item of \$90,000 was included for the purpose of leasing quarters for a postal station in the terminal building of the New York Central and Hudson River Railroad Company in New York City. Since that date this terminal building has been under construction and quarters for the postal station have been included in the plans. On April 3, 1908, the department formally accepted a proposal to lease for a term of twenty-five years from January 1, 1909, an area of 60,352 square feet in the Grand Central Railroad Station. An additional area of 44,143 square feet is to be available in 1912. When the quarters for which the department has already accepted a proposal are ready for occupancy, the leased building on Madison avenue and Forty-third street, now used by Station H of the New York post-office, will be vacated and the work of the station will be transferred to the railroad terminal. The new quarters are directly above the tracks of the New York Central Railroad, and elevators and chutes connect the working floor of the station with the railroad platforms below. The annual charge for rent alone will be \$55,480.29, and the cost of heat, light, and other requirements will add nearly \$30,000 annually to the expense of maintaining the station. Contracts for the equipment have been made by the department, and it is expected that no delay will occur in the occupation of the new quarters. It is estimated that

the cost of maintaining the station when the additional area becomes available will reach an annual total of \$140,000. This station and Hudson Terminal Station furnish striking examples of the heavy charges which it seems impracticable to evade in maintaining the postal service in New York City.

NEW POST-OFFICE BUILDING.

At the last session of Congress an appropriation of \$100,000 was made to continue the work of constructing the new post-office building on Eighth avenue between Thirty-first and Thirty-third streets, adjoining the Pennsylvania Railroad terminal. This amount is to be used for the foundation only. The work is now progressing in conjunction with the building of the railroad tracks and platforms which are to be located beneath the post-office. No appropriation has yet been made available for the construction of the post-office building, but the architects have already completed plans for the exterior of the structure. A beautiful façade has been designed, which has received the highest commendation from other leading architects, some of whom were competitors for the task. The interior arrangement of the post-office has not yet been planned, but the requirements have been the subject of careful investigation by postal experts and the architects are being fully advised of the factors that should be considered in the arrangement of the areas within the building. Abundant natural light will be available in the proposed structure, and it is confidently expected that the working conditions in the various divisions of the new office will be highly satisfactory. The basement is surrounded on three sides by a light well 40 feet wide and extending from 4 to 10 feet below the street levels, and space on this floor, which would under ordinary conditions be considered undesirable, will be valuable for post-office work.

The early completion of this new post-office would be of great advantage to the department. The Pennsylvania Railroad Company will probably occupy the new terminal in October, 1909. The use of the present Jersey City station of that railroad for passenger traffic will then be discontinued and the transfer of the mails between the New York post-office and the Pennsylvania Railroad lines will present a difficult problem until the new post-office building is occupied, as the available space in the New York railroad terminal will probably be insufficient to permit the handling there of the great amount of mail to be received and dispatched over those lines. An appropriation for the new building should be made by Congress at the earliest practicable date and its construction should be expedited as much as possible. It is estimated that two years will be required to complete the structure after the contracts are awarded.

QUARTERS AND EQUIPMENT FOR POST-OFFICES.

The question of providing suitable quarters for post-offices, properly equipped with the furniture and fixtures necessary for the prompt and accurate handling of mails, becomes more important each year, and greater difficulty is experienced and increased expense incurred by the department with the growth of the service and the general increase in property values throughout the country. The

appropriation for rent for the current year has proved to be wholly inadequate.

There are now housed in government buildings 419 post-offices and stations for which the equipment is provided by the Treasury Department. At most of the remaining first and second class offices and at a number of the larger third-class offices the department has been able to negotiate leases under the terms of which the lessor furnishes the outfit of boxes, fixtures, and furniture. At all other offices the postmasters are required to provide the equipment, since there is no appropriation for the purpose. When leases are entered into, the contract is usually for a term of five or ten years, and as a general rule the lessor adds a sufficient amount to the rental value of the building to pay for the equipment during the term of the lease. It is believed that in the long run it would be much more economical for the department to own and furnish the post-office equipment. It is therefore recommended that authority be given to utilize \$100,000 of the appropriation for rent, light, and fuel for presidential offices in providing the equipment in offices where it is not feasible to enter into a lease for quarters properly equipped. Should such action be taken it is believed that contracts could be made with equipment companies to furnish post-office fixtures at a much lower rate than is now paid under the system of having each landlord make his own contract. The screen work could be built on the unit system and enlarged or diminished at slight expense.

The postmasters at offices of the fourth class are not appointed for a fixed term; their tenure of office is somewhat uncertain; the compensation is small; and naturally they equip their offices with the cheapest fixtures and the least furniture that will answer their purpose. If the department had an appropriation to purchase fixtures for offices of the presidential class it would be practicable, when an office outgrows the equipment furnished, to transfer it to a smaller office and thus relieve the postmaster of the expense. In time the department would thus be able to have post-offices fitted up in a uniform and satisfactory manner throughout the entire country.

Although Congress is appropriating liberally for new federal buildings—more than \$18,000,000 having been authorized at the last session for sites and structures to be used for post-office purposes exclusively—this Department has practically no voice in the selection of the site or the designing and equipping of the building.

A convenient location, an interior arrangement planned with special reference to post-office needs, and a proper equipment are vital to the prompt and economical handling of the mails. Moreover, the requirements of the larger post-offices with respect to location and design differ so materially from those of the other government establishments usually housed in federal buildings that it is rarely feasible to place them under the same roof without disadvantage to the postal service.

In view of the excellent results obtained by the corps of field representatives of this bureau in securing under lease suitable post-office buildings properly equipped, it is believed that the services of these agents could be utilized to great advantage in connection with the choice of sites, the arrangement of floor space and screen work, and

the selection and placing of the other fixtures and the furniture in government buildings. The recommendations are therefore renewed that federal buildings in which post-offices are to be located be designed especially for that purpose and reserved exclusively for post-office use, and that this department be granted definite authority in connection with the selection of the sites and the planning of the interior arrangement of such buildings, and be given direct control of the appropriations for their equipment.

MISCELLANEOUS AND INCIDENTAL EXPENSES OF POST-OFFICES.

For the current year the appropriation for miscellaneous expenses at post-offices is \$275,000, which is only \$25,000 more than it was in 1902. This appropriation is designed to cover all expenses at first and second class offices that are not otherwise specifically provided for, the principal items being janitor service and cleaning supplies, telephones, and directories. The appropriation has not been sufficient for a great many years to pay these expenses in full; in fact, at a large number of the smaller second-class offices no allowances whatever are made for keeping the quarters clean, and the postmasters are compelled to meet such charges from their personal funds.

It is from this inadequate appropriation that most of the labor-saving devices in use are purchased, a fact which explains in part the paucity of such devices in the service, to which the attention of Congress was called in the preliminary report of the Postal Commission.

Nevertheless, considerable progress has been made within the last few years in the introduction of labor-saving machinery. A very elaborate and expensive system of automatic mail conveyors, chutes, and elevators was put in operation in the new post-office building at Chicago when it was first occupied, the cost being defrayed from the appropriation under the control of the Treasury Department. A special appropriation of \$10,000 was obtained at the last session of Congress for the purchase and installation of mechanical conveyors and equipment for the handling of mail in the post-office at Washington, D. C. The new conveyors are now in operation and, it is believed, will demonstrate the economy of providing appliances of this kind in a number of the larger offices. Station H, New York City, which is to occupy quarters in the new terminal of the New York Central Railroad Company, is to be equipped with automatic conveyors at a cost of about \$12,000, the expense being charged to the special appropriation for the rent, equipment, and maintenance of the station; and notwithstanding the inadequacy of the appropriation provided for miscellaneous items, the department has deemed it advisable, in the interest of economy, to utilize about \$9,000 of that appropriation in making a contract for an automatic conveyor system in the Hudson Terminal Station of the New York City post-office. The mechanical equipment is being installed and will be in operation in a few weeks. Automatic conveyors have also been utilized on a smaller scale in a number of other large offices, the expense being met from the appropriation for miscellaneous items.

One of the most important labor-saving devices recently introduced into the postal service is an improved facing table. The one in use in the Washington post-office is 24 feet long by 4 feet 6 inches wide, and is constructed principally of steel. Each side of the table is equipped with a 5-inch belt conveyor on which are grooves for the letters, one groove being for the long letters and another for the short ones. The belt conveyors carry the letters to the end of the table, where the long letters are automatically stacked ready for the canceling machine, while the short letters are carried by the belt directly into the canceling machine and by it stacked ready for distribution, thus doing away with another handling by clerks. Over the center of the table is a 12-inch belt conveyor on which are placed letters and other matter too bulky to be inserted in the grooves. Such matter is carried by this conveyor to the end of the table and dropped into a receptacle. The belts are so arranged that they may be used conjointly or separately, thus making it unnecessary to operate any belt but the one needed. Numerous tests have proved that the use of this facing table saves one man in seven employed in facing mail, and of course the mail is greatly expedited, since it is postmarked and placed in the hands of the distributors as fast as it is faced. About 30 men can work at this table at a time. The initial cost of a device of this character is considerable, amounting to about \$3,000, but as it is practically indestructible the economy of its use is apparent.

It is believed that real economies of time and labor can be effected by the extension of the use of mechanical conveyors and special appliances for the handling of mails, and that in order to permit such an extension the appropriation for miscellaneous expenses of first and second class offices should be largely increased. The result of the experiments made possible by the appropriation of \$10,000 granted by the last Congress for expenses incident to the investigation and testing of mechanical and labor-saving devices will be given in the next annual report.

EXTENSION OF THE CITY DELIVERY SERVICE.

All cities having a population of 10,000 and nearly all post-offices where the receipts are \$10,000 have city delivery service. Fifteen or twenty million people are served by the rural delivery service, which is confined exclusively to rural districts. This leaves millions of people residing in small towns of from 3,000 to 5,000 inhabitants without any form of free delivery. It is believed that this condition should be remedied by amending the present law so as to permit the department to establish city delivery service at post-offices where the receipts are as much as \$5,000 annually. This would increase the number of free delivery offices by about 1,400. It is believed, too, that the recommendation previously made, namely, that hereafter mail shall not be delivered by city letter carriers except at residences or offices where suitable mail receptacles are placed at the door or entrance, is in the interest of the service. The expense to the patrons would be trifling, while the amount of time saved the letter carriers who now wait for an answer to the doorbell would in the aggregate represent a very large sum of money that might well be spent in giving more frequent deliveries and collections.

NEW FEATURES OF THE CITY DELIVERY SERVICE.

The experiment of delivering mail after 6 p. m. was tried last fall in some of the best residential districts of New York City. The ends sought in the establishment of the evening delivery were two—first, to expedite the delivery of local mail, and second, to relieve the first morning delivery. Both objects appear to have been attained. The evening trip is the second heaviest of the day. Seventy-five thousand pieces of mail matter in round numbers are disposed of on that trip, thereby relieving the carriers of about one-third of their former burden on the first morning trip. Furthermore, letters posted during the late afternoon are now delivered the same night within the districts affected, and if answers are mailed before 10.50 p. m., they will be delivered throughout the city on the first trip of the carriers in the morning. Arrangements have been made for the extension of the evening delivery to certain sections of Boston and Philadelphia.

In Washington improvements in the collection service have been made without any material increase in expense, whereby a letter deposited in any street letter box before 2 p. m. is delivered the same day in any section of the city, except one or two of the outlying districts. The effect of improvements of this character will undoubtedly be to increase the volume of mail for local delivery—the most profitable class of mail handled.

STREET LETTER BOXES.

The current contract for furnishing street letter boxes will expire on June 30, 1909. The boxes now supplied are fairly satisfactory, but it is believed that improvements might be made in their appearance and in the arrangements for removing the contents. At present the door is in the side of the box and when opened forms an inclined plane up which the mail must be pulled by the handful. A box that would unfailingly empty itself by gravity through an opening in the bottom would be a great improvement.

It would be advantageous also to have some device that would show whether the scheduled collections had actually been made, and thus would prevent collectors from shirking their duty. Several appliances for this purpose have been submitted, but all of them are open to the objection that they either consume too much of the carriers' time or are too complicated and expensive.

AUTOMOBILES IN THE COLLECTION OF MAILS.

An experimental collection service by automobiles was established in Milwaukee in February, 1907. Twice as many collections are made as were practicable when the service was performed by horse-drawn vehicles, and the collection and dispatch of mail has been expedited, but it is questionable whether any economy has been effected. A contract has recently been entered into for the use of six automobiles, with chauffeurs, for collecting mail in the city of Washington. It is probable that the new service will prove more expensive than the former, but it is believed to be an improvement on the old method of collecting mail. A contract has also been made with two of the letter

carriers of the Washington city office to furnish and operate their own automobiles instead of horses and vehicles, and apparently a considerable saving will result. The machines furnished by the carriers are a credit to the service and have been the subject of favorable comment on the part of the many patrons of the office. The experiment of collecting mails with automobiles is also to be tried in Indianapolis, Ind.

By the close of the fiscal year the department will probably be in a position to report to Congress as to the advisability of the general use of automobiles in the larger cities.

STREET-CAR COLLECTION SERVICE.

Collection service has been performed for a number of years in Grand Rapids, Mich., and Des Moines, Burlington, and Ottumwa, Iowa, by means of letter boxes attached to street cars, and at the last session of Congress a special appropriation of \$10,900 was made to pay for such service. It was found that owing to the peculiar conditions at Grand Rapids, Des Moines, and Burlington the collection of mail matter could be expedited in this manner to a sufficient extent to justify the added expenditure.

IMPROVEMENTS IN DEPARTMENTAL RECORDS.

Important improvements have been effected in the method of handling the work relating to the appointment and bonding of postmasters. In the place of the book records heretofore kept, in which there was considerable duplication, a modern card-index system has been introduced. The adoption of the new system, it is believed, will greatly facilitate the work of the bureau and effect a considerable saving of labor.

A card index of post-office employees other than letter carriers was also completed during the year, superseding the cumbersome and unsatisfactory book records previously in use.

LEGISLATION RECOMMENDED.

READJUSTMENT OF POSTMASTERS' SALARIES.

That after June thirtieth, nineteen hundred and nine, the compensation of postmasters at post-offices of the first, second, and third classes shall be annual salaries, graded in even hundreds of dollars, and payable in quarterly installments, and shall be ascertained and fixed by the Postmaster-General upon the basis of the gross receipts of their respective offices for the four quarters of the calendar year, to take effect at the beginning of the ensuing fiscal year.

ADVANCEMENT OF POST-OFFICES FROM THE FOURTH CLASS TO THE PRESIDENTIAL CLASS.

That after June thirtieth, nineteen hundred and nine, when the total compensation of any postmaster at a post-office of the fourth class for four consecutive quarters shall amount to one thousand dollars, exclusive of commissions on money orders issued, and the receipts of such post-office for the same period shall aggregate as much as one thousand nine hundred dollars, the Auditor for the Post-Office Department shall so report, and the Postmaster-General shall assign such post-office to its proper class, to become effective at the beginning of the next succeeding quarterly period, and fix the salary of the postmaster accordingly.

COMPENSATION OF SUPERVISORY AND SUBCLERICAL EMPLOYEES.

That after June thirtieth, nineteen hundred and nine, the salaries of employees above the clerical grades in post-offices of the first and second classes and of assistant postmasters at offices where city delivery service is in operation shall be graded, in even hundreds of dollars, as follows:

Assistant postmasters, salary not less than forty per cent and not exceeding sixty per cent of the salary of the postmaster, from seven hundred dollars to four thousand eight hundred dollars.

Superintendents of mails, superintendents of delivery, superintendents of money orders, and superintendents of registry, salary not exceeding fifty per cent of the salary of the postmaster, from one thousand three hundred dollars to four thousand dollars.

Superintendents of stations, salary based on the amount of business transacted, from one thousand three hundred dollars to three thousand five hundred dollars.

Cashiers and auditors, salary not exceeding forty-five per cent of the salary of the postmaster, from one thousand three hundred dollars to three thousand six hundred dollars.

Assistant superintendents, assistant cashiers, and assistant auditors, salary not exceeding forty per cent of the salary of the postmaster, from one thousand three hundred dollars to three thousand two hundred dollars.

Private secretaries, salary not exceeding thirty-five per cent of the salary of the postmaster, from one thousand three hundred dollars to two thousand eight hundred dollars.

Foremen, bookkeepers, and stenographers, salaries from one thousand three hundred dollars to two thousand dollars.

That after June thirtieth, nineteen hundred and nine, the salaries of mechanics and subclerical employees shall be graded in even hundreds of dollars, as follows: Printers, mechanics, and skilled laborers, salaries from nine hundred dollars to one thousand two hundred dollars; watchmen, messengers, and laborers, salaries from five hundred dollars to nine hundred dollars.

THIRTY DAYS' ANNUAL LEAVE FOR POST-OFFICE EMPLOYEES.

That after June thirtieth, nineteen hundred and nine, employees in first and second class post-offices and in other post-offices having city delivery service may be granted leave of absence with full pay for not exceeding thirty days in a fiscal year.

EXTENSION OF CITY DELIVERY SERVICE.

That after June thirtieth, nineteen hundred and nine, city delivery service may be established at any post-office that produced a gross revenue of not less than five thousand dollars during the four quarters on which the salary of the postmaster is based, and letter carriers may be employed for that purpose: *Provided*, That no delivery by carrier shall be made except at residences and offices where approved mail receptacles are placed at the door or entrance.

PRIVATE MAIL RECEPTACLES.

That after December thirty-first, nineteen hundred and nine, mail shall not be delivered by city carriers except at residences and offices where approved mail receptacles are placed at the door or entrance.

TIME OF HOLDING UNDELIVERED MAIL.

That section three thousand eight hundred and eighty-five of the Revised Statutes be amended to read as follows:

"Postmasters shall notify the publisher of any newspaper or other periodical when any subscriber shall refuse to take the same from the office, or when it shall remain undelivered during such period as the Postmaster-General shall prescribe."

That section thirty-nine hundred and thirty-nine of the Revised Statutes be amended to read as follows:

"When the writer of any letter on which the postage is prepaid shall endorse upon the outside thereof his name and address, such letter shall not be advertised, but, after remaining uncalled for at the office to which it is directed the

time the writer may direct or the Postmaster-General prescribe, shall be returned to the writer without additional charge for postage, and if not then delivered, shall be treated as a dead letter."

APPROPRIATIONS AND EXPENDITURES.

The following table shows the amounts appropriated under the several heads, the amounts expended, and the unexpended balances:

Item.	Appropriation.	Expenditure.	Balance.
Compensation to postmasters	\$25,500,000	\$25,599,397.52	\$99,397.52
Compensation to assistant postmasters, first and second class offices	2,336,800	2,288,995.53	47,804.47
Compensation to clerks at first and second class offices	27,020,200	26,709,035.05	311,164.95
Compensation to substitutes for clerks on vacation at first and second class offices	110,000	92,227.06	17,772.94
Temporary clerk hire at first and second class offices	225,000	173,611.94	51,388.06
Separating service at third and fourth class offices	775,000	741,036.28	33,963.72
Unusual conditions at post-offices	100,000	98,445.89	1,554.11
Regular clerk hire at third-class offices	800,000	800,000.00	-----
Rent, light, and fuel at first, second, and third class offices	3,228,000	3,193,820.94	35,179.06
Miscellaneous items, first and second class offices	275,000	254,637.87	20,362.63
Rental and purchase of canceling machines	275,000	274,011.09	988.91
Compensation and per diem of assistant superintendents, division of salaries and allowances	34,600	30,747.08	3,852.92
Incidental expenses of the city delivery service	45,000	37,923.17	7,076.83
Pay of letter carriers at established offices	24,450,000	24,123,605.93	326,394.07
Substitute, auxiliary, and temporary letter carriers	1,200,000	1,019,198.92	180,801.08
Pay of letter carriers at new offices	70,000	57,336.34	12,663.66
Horse hire	765,000	743,082.64	21,917.36
Car fare and bicycles	390,000	341,544.04	18,455.96
Pay of mechanics	19,800	16,080.15	3,719.85
Marine postal service at Detroit, Mich.	4,500	4,450.00	50.00
Fees to special-delivery messengers	1,075,000	1,098,761.11	\$23,761.11
Car fare for special-delivery messengers	10,000	9,403.24	596.76
Travel and miscellaneous expenses, office of First Assistant Postmaster-General	1,000	689.95	310.05
Total	88,680,900	87,708,021.19	972,878.81

* Deficit.

The following tables show the estimates, the appropriations, and the expenditures under the several heads for each fiscal year from 1899 to 1908, inclusive, the estimates and appropriations for the fiscal year 1909, and the estimates for the fiscal year 1910:

COMPENSATION TO POSTMASTERS.

Year ended June 30—	Estimate.	Appropriation.		Per cent of increase.	Expenditure.		Per cent of increase.
		Amount.	Increase.		Amount.	Increase.	
1899	\$16,250,000	\$16,750,000.00	-----	-----	\$18,223,506.81	\$770,073.23	4.41
1900	17,000,000	17,000,000.00	\$250,000.00	1.49	19,112,096.99	888,690.18	4.88
1901	17,000,000	17,978,785.86	978,785.86	5.76	19,949,514.79	837,417.80	4.38
1902	18,000,000	19,987,051.19	2,008,265.33	11.17	20,783,919.97	834,405.18	4.18
1903	20,000,000	20,974,775.97	987,724.78	4.94	21,631,724.04	847,804.07	4.06
1904	21,500,000	21,739,169.57	764,393.60	3.60	22,273,343.90	641,619.86	2.97
1905	24,000,000	23,250,000.00	1,510,830.43	6.95	22,743,242.03	469,998.13	2.11
1906	23,750,000	23,750,000.00	500,000.00	2.15	23,544,585.09	801,243.06	3.32
1907	24,500,000	24,000,000.00	250,000.00	1.05	24,575,696.10	1,031,111.01	4.37
1908	25,500,000	25,500,000.00	1,500,000.00	6.25	25,599,397.52	1,023,701.42	4.12
1909	26,250,000	26,254,000.00	754,000.00	2.96	-----	-----	-----
1910	27,000,000	-----	-----	-----	-----	-----	-----

COMPENSATION TO ASSISTANT POSTMASTERS AT FIRST AND SECOND CLASS POST-OFFICES.

[Prior to 1901 assistant postmasters at first and second class offices were paid from the appropriation for clerks.]

Year ended June 30—	Estimate.	Appropriation.			Expenditure.		
		Amount.	Increase.	Per cent of in- crease.	Amount.	Increase.	Per cent of in- crease.
1901.....	\$1,426,600	\$1,347,700.00	.....	.....	\$1,339,333.97	.....	.....
1902.....	1,559,800	1,559,000.00	\$211,600.00	15.70	1,479,674.06	\$140,340.08	10.41
1903.....	1,701,500	1,701,000.00	142,200.00	9.12	1,622,730.12	143,056.07	9.67
1904.....	1,894,100	1,894,100.00	192,600.00	11.32	1,806,428.19	183,698.07	11.32
1905.....	2,000,000	2,037,800.00	143,700.00	7.69	1,895,142.72	88,714.63	4.91
1906.....	2,164,300	2,123,000.00	86,000.00	4.22	1,978,219.48	88,076.76	4.38
1907.....	2,123,800	2,123,000.00	.....	.....	2,106,248.80	130,029.32	6.57
1908.....	2,275,000	2,336,000.00	213,000.00	10.03	2,288,995.53	180,746.73	8.57
1909.....	2,600,000	2,500,000.00	163,200.00	6.99	.....	.....	.....
1910.....	2,620,000	.....	.....	.....	.....	.....	.....

COMPENSATION TO CLERKS AT FIRST AND SECOND CLASS POST-OFFICES.

[Expenditures on account of separating mails at third and fourth class offices are included in years prior to 1900.]

1899.....	\$11,300,000	\$11,108,100.00	\$508,100.00	4.79	\$11,098,194.22	\$506,336.53	4.78
1900.....	11,800,000	11,518,862.19	410,762.19	3.70	11,508,106.92	409,914.70	3.69
1901.....	11,656,900	11,725,914.14	207,051.95	1.80	11,716,447.35	208,338.43	1.81
1902.....	13,300,000	13,051,648.81	1,325,734.67	11.81	13,164,807.98	1,448,360.63	12.36
1903.....	14,878,200	15,715,024.03	2,663,375.22	20.41	15,735,294.14	2,570,476.16	16.34
1904.....	18,101,900	18,124,730.43	2,409,706.40	15.26	17,785,132.52	2,053,028.38	13.05
1905.....	20,000,000	19,995,700.00	1,870,969.57	10.32	19,667,650.30	1,869,337.78	10.51
1906.....	21,630,500	21,060,000.00	1,064,300.00	5.32	21,034,553.81	1,376,903.51	6.50
1907.....	22,680,000	22,820,000.00	1,780,000.00	8.36	22,731,641.05	1,697,067.24	8.07
1908.....	25,700,000	27,020,200.00	4,200,200.00	18.99	26,709,035.05	3,977,394.00	17.50
1909.....	31,240,000	30,212,300.00	3,192,100.00	11.81	.....	.....	.....
1910.....	32,000,000	.....	.....	.....	.....	.....	.....

COMPENSATION TO SUBSTITUTES FOR CLERKS AT FIRST AND SECOND CLASS POST-OFFICES ON VACATION.

[Prior to 1900 no separate appropriation was made for substitutes for post-office clerks.]

1900.....	\$75,000	\$75,000.00	.....	.....	\$71,838.51	.....	.....
1901.....	100,000	126,000.00	\$50,000.00	66.67	126,406.79	\$53,567.28	74.57
1902.....	150,000	150,000.00	25,000.00	20.00	145,277.91	19,872.12	15.85
1903.....	200,000	175,000.00	25,000.00	16.67	158,833.08	13,565.17	9.31
1904.....	200,000	200,000.00	25,000.00	14.29	157,123.88	1,709.20	1.08
1905.....	(2)	100,000.00	100,000.00	100.00	58,496.33	98,625.55	162.77
1906.....	100,000	100,000.00	.....	.....	85,696.42	27,188.09	46.48
1907.....	100,000	100,000.00	.....	.....	83,754.21	1,832.21	2.25
1908.....	110,000	110,000.00	10,000.00	10.00	92,227.06	8,472.05	10.11
1909.....	200,000	110,000.00	.....	.....	.....	.....	.....
1910.....	120,000	.....	.....	.....	.....	.....	.....

• Includes \$8,100 deficiency appropriation.

• Includes \$19,962.19 deficiency appropriation.

• Includes \$21,214.14 transferred from compensation to postmasters on account of post-offices discontinued.

• Includes \$12,948.81 transferred from compensation to postmasters on account of post-offices discontinued.

• Includes \$25,224.03 transferred from compensation to postmasters on account of post-offices discontinued.

• Includes \$10,830.43 transferred from compensation to postmasters on account of post-offices discontinued.

• Includes estimates for temporary clerks and for substitutes for clerks on vacation.

• Includes \$700,000 for contract stations and \$120,000 carried by appropriation act for 1908.

• Includes \$750,000 for contract stations and \$750,000 deficiency appropriation, and excludes \$120,000 made available for clerks during fiscal year ended June 30, 1907.

• Includes \$750,000 for contract stations; \$24,800 for printers, mechanics, and skilled laborers, and \$711,000 for watchmen, messengers, and laborers previously paid from appropriation for clerk hire.

• Included in estimates for compensation to clerks.

• Decrease.

• Includes \$10,000 deficiency appropriation.

TEMPORARY CLERK HIRE AT FIRST AND SECOND CLASS POST-OFFICES.

[Prior to 1900 temporary clerks at first and second class post-offices were paid from the appropriation for clerks.]

Year ended June 30—	Estimate.	Appropriation			Expenditure.		
		Amount.	Increase.	Per cent of in- crease.	Amount	Increase.	Per cent of in- crease.
1900.....		\$75,134.14			\$75,134.14		
1901.....	\$100,000	^b 115,000.00	\$39,865.86	53.06	114,361.41	\$39,227.27	52.21
1902.....	125,000	125,000.00	10,000.00	8.98	123,155.50	8,794.18	7.09
1903.....	150,000	175,000.00	50,000.00	40.00	168,869.47	45,713.88	36.84
1904.....	200,000	200,000.00	25,000.00	14.29	187,024.82	18,155.35	10.75
1905.....	(c)	150,000.00	^d 50,000.00	^d 25.00	131,457.99	^d 55,566.83	^d 29.71
1906.....	150,000	150,000.00			149,996.88	18,538.89	14.10
1907.....	150,000	152,000.00	2,000.00	1.33	141,596.21	^d 8,400.67	^d 5.60
1908.....	165,000	^e 225,000.00	73,000.00	48.03	173,611.94	32,015.73	22.62
1909.....	250,000	240,000.00	15,000.00	6.67			
1910.....	250,000						

SEPARATING SERVICE AT THIRD AND FOURTH CLASS POST-OFFICES.

[Prior to 1900 expenditures for separating service were made from the appropriation for clerks at first and second class post-offices.]

1900.....		\$750,000.00			\$740,615.44		
1901.....	\$900,000	900,000.00	\$150,000.00	20.00	888,493.06	\$138,877.92	18.53
1902.....	1,050,000	1,050,000.00	150,000.00	16.67	1,003,525.88	115,032.82	12.92
1903.....	1,100,000	1,100,000.00	50,000.00	4.76	1,080,751.95	77,236.07	7.70
1904.....	1,300,000	1,300,000.00	200,000.00	18.18	1,099,412.25	18,660.30	1.73
1905.....	^f 1,700,000	750,000.00			720,579.10		
1906.....	^g 900,000	800,000.00	50,000.00	6.67	743,579.73	23,000.63	3.19
1907.....	800,000	800,000.00			765,787.62	22,207.89	2.99
1908.....	775,000	775,000.00	^d 25,000.00	^d 3.22	741,036.28	^d 24,751.94	^d 3.23
1909.....	775,000	750,000.00	^d 25,000.00	^d 3.23			
1910.....	725,000						

NOTE.—The reduction in the appropriation for separating service in 1905 is due to the fact that in that year appropriations were made for the first time for regular clerk hire at third-class post-offices and for unusual conditions at third and fourth class post-offices.

UNUSUAL CONDITIONS AT POST-OFFICES.

[Prior to 1905 expenditures for unusual conditions were made from the appropriation for separating service.]

1905.....	\$1,700,000	ⁱ \$50,000.00			\$40,016.83		
1906.....	^j 900,000	ⁱ 50,000.00			48,067.95	\$8,051.12	20.11
1907.....	75,000	^k 100,000.00	\$50,000.00	100.00	96,281.98	51,214.08	106.54
1908.....	100,000	100,000.00			96,445.89	^d 336.00	^d .84
1909.....	150,000	125,000.00	25,000.00	25.00			
1910.....	125,000						

^a Includes \$134.14 deficiency appropriation.

^b Includes \$15,000 deficiency appropriation.

^c Included in estimate for compensation to clerks.

^d Decrease.

^e Includes \$25,000 deficiency appropriation.

^f Includes estimates for regular clerk hire at third-class post-offices and for unusual conditions at third and fourth class post-offices.

^g Includes estimate for unusual conditions at third and fourth class post-offices.

^h Includes estimates for separating service at third and fourth class post-offices and for regular clerk hire at third-class post-offices.

ⁱ For third and fourth class post-offices.

^j Includes estimate for separating service at third and fourth class post-offices.

^k For second, third, and fourth class post-offices.

REGULAR CLERK HIRE AT THIRD-CLASS POST-OFFICES.

[Prior to 1905 there was no appropriation for regular clerk hire at third-class offices.]

Year ended June 30—	Estimate.	Appropriation.			Expenditure.		
		Amount.	Increase.	Per cent of in- crease.	Amount.	Increase.	Per cent of in- crease.
1905.....	\$1,700,000	\$700,000.00			\$807,100.86		
1906.....	900,000	750,000.00	\$50,000.00	7.14	655,128.97	\$48,028.11	7.91
1907.....	900,000	750,000.00			708,689.93	53,560.96	8.18
1908.....	900,000	800,000.00	50,000.00	6.67	800,000.00	91,310.07	12.86
1909.....	2,000,000	1,150,000.00	350,000.00	43.75			
1910.....	1,250,000						

RENT, LIGHT, AND FUEL AT FIRST, SECOND, AND THIRD CLASS POST-OFFICES.

1899.....	\$1,750,000	\$1,704,000.00	\$104,000.00	6.80	\$1,697,586.32	\$99,023.15	6.20
1900.....	1,750,000	\$1,825,000.00	121,000.00	7.10	1,803,541.13	105,954.81	6.24
1901.....	1,950,000	1,950,000.00	125,000.00	6.85	1,945,711.76	145,170.63	8.05
1902.....	2,100,000	\$2,150,000.00	200,000.00	10.25	2,125,180.29	176,468.63	9.05
1903.....	2,250,000	\$2,400,000.00	250,000.00	11.63	2,364,741.74	239,587.71	11.23
1904.....	2,500,000	\$2,550,000.00	150,000.00	6.25	2,642,549.17	277,807.43	11.75
1905.....	2,750,000	\$2,690,000.00	140,000.00	5.49	2,588,572.73	773,976.44	22.79
1906.....	2,800,000	2,800,000.00	110,000.00	5.24	2,714,130.06	145,557.33	5.66
1907.....	3,000,000	3,000,000.00	200,000.00	7.14	2,895,021.78	183,961.72	6.78
1908.....	3,150,000	\$3,229,000.00	\$229,000.00	7.63	3,193,820.94	296,799.16	10.21
1909.....	3,350,000	\$3,471,000.00	\$242,000.00	7.49			
1910.....	3,800,000						

MISCELLANEOUS ITEMS, FIRST AND SECOND CLASS POST-OFFICES.

1899.....	\$200,000	\$175,066.50	\$25,066.50	16.71	\$175,066.50	\$26,629.85	17.94
1900.....	200,000	200,000.00	24,833.50	14.24	199,131.25	24,064.75	13.75
1901.....	250,000	225,000.00	25,000.00	12.50	225,022.19	25,890.94	13.00
1902.....	250,000	250,000.00	25,000.00	11.11	254,577.03	29,854.84	13.27
1903.....	250,000	250,000.00			262,306.96	7,429.93	2.92
1904.....	250,000	250,000.00			245,461.95	16,845.01	6.42
1905.....	250,000	250,000.00			237,987.74	17,474.21	7.04
1906.....	250,000	250,000.00	25,000.00	10.00	209,581.44	28,406.30	11.97
1907.....	250,000	250,000.00	25,000.00	11.11	237,325.55	27,744.11	13.24
1908.....	265,000	\$275,000.00	25,000.00	10.00	254,637.37	17,311.82	7.29
1909.....	370,000	275,000.00					
1910.....	350,000						

RENTAL AND PURCHASE OF CANCELING MACHINES.

1899.....	\$125,000	\$100,000.00	\$35,000.00	53.85	\$99,830.08	\$34,946.38	53.86
1900.....	150,000	150,000.00	50,000.00	50.00	149,428.55	49,596.47	49.86
1901.....	200,000	150,000.00			149,534.48	49,107.93	39.08
1902.....	200,000	190,225.00	40,225.00	26.67	199,725.00	50,190.62	33.37
1903.....	190,000	190,000.00	225.00		199,499.38	3,255.62	1.63
1904.....	300,000	250,000.00	60,000.00	31.68	174,651.45	21,817.93	11.11
1905.....	250,000	200,000.00	50,000.00	20.00	185,721.19	12,069.74	6.91
1906.....	250,000	225,000.00	25,000.00	12.50	220,504.00	33,882.81	18.14
1907.....	275,000	250,000.00	25,000.00	11.11	242,979.38	22,375.38	10.14
1908.....	300,000	275,000.00	25,000.00	10.00	274,011.09	31,031.71	12.77
1909.....	315,000	300,000.00	25,000.00	9.09			
1910.....	325,000						

* Includes estimates for separating service and for unusual conditions at third and fourth class post-offices.

* Includes \$4,000 deficiency appropriation.

* Includes \$25,000 deficiency appropriation.

* Includes \$50,000 deficiency appropriation.

* Includes \$140,000 deficiency appropriation.

* Decrease.

* Includes \$79,000 deficiency appropriation.

* Excludes \$29,000, made available for 1908.

* Includes \$68.50 deficiency appropriation.

* Includes \$225 deficiency appropriation.

INCIDENTAL EXPENSES, CITY DELIVERY SERVICE.

Year ended June 30—	Estimate.	Appropriation.			Expenditure.		
		Amount.	Increase.	Per cent of in- crease.	Amount.	Increase.	Per cent of in- crease.
1899	\$110,000	^a \$100,000.00	\$24,801.60	32.19	\$141,791.16	\$66,592.76	88.56
1900	150,000	^b 465,571.99	365,571.99	365.57	465,555.90	323,764.74	228.34
1901	180,000	^a 200,000.00	^c 265,571.99	^c 57.04	226,968.87	^c 238,587.03	^c 51.27
1902	220,000	^a 220,000.00	20,000.00	10.00	232,372.87	5,404.00	2.38
1903	300,000	272,300.00	52,300.00	23.77	272,296.94	39,927.07	17.18
1904	300,000	300,000.00	27,700.00	10.17	50,650.26	^c 221,649.68	^c 81.31
1905	300,000	300,000.00			60,227.72	9,577.46	18.91
1906	300,000	300,000.00			102,778.54	42,550.82	70.65
1907	40,000	40,000.00	^c 260,000.00	^c 650.00	30,077.77	^c 72,700.77	^c 70.73
1908	45,000	45,000.00	5,000.00	12.50	37,923.17	7,845.40	26.08
1909	(^d)	45,000.00					
1910	45,000						

PAY OF LETTER CARRIERS AT ESTABLISHED OFFICES.

1899	\$13,135.400	\$13,085,400.00	\$556,400.00	4.44	\$13,014,921.83	\$409,483.45	3.25
1900	13,697,260	13,697,200.00	611,800.00	4.87	13,561,678.87	546,785.04	4.20
1901	14,724,200	14,787,600.00	1,090,400.00	7.96	14,787,616.70	1,225,939.53	9.04
1902	16,080,900	16,080,900.00	1,293,300.00	8.75	16,024,061.24	1,319,474.54	8.36
1903	17,430,450	17,430,450.00	1,349,350.00	8.39	17,343,122.59	1,319,031.55	8.23
1904	19,028,800	19,028,800.00	1,598,350.00	9.17	19,688,716.24	1,345,583.65	7.76
1905	20,606,250	20,250,000.00	1,221,200.00	6.42	19,867,800.00	1,179,083.76	6.31
1906	21,286,575	21,286,575.00	1,046,575.00	5.16	20,920,508.86	1,052,709.86	5.30
1907	22,228,000	22,228,000.00	931,425.00	4.13	22,116,875.82	1,195,365.96	5.71
1908	23,384,700	24,450,000.00	2,222,000.00	10.00	24,123,605.98	2,007,730.11	9.08
1909	^e 29,950,000	27,835,000.00	3,885,000.00	13.84			
1910	29,800,000						

SUBSTITUTE, AUXILIARY, AND TEMPORARY LETTER CARRIERS.

[Prior to 1908 no separate appropriation was made for substitute, auxiliary, and temporary letter carriers.]

1908	(^f)	\$1,200,000			\$1,019,198.92		
1909	(^f)	1,300,000	\$100,000.00	8.33			
1910	\$1,300,000						

PAY OF LETTER CARRIERS AT NEW OFFICES.

1899	(^g)	\$80,000.00	^c \$40,000.00	^c 44.44	\$55,233.37	^c \$31,767.25	^c 36.51
1900	\$60,000	60,000.00	10,000.00	20.00	56,822.25	1,588.88	2.88
1901	75,000	60,000.00			91,990.65	35,168.40	61.89
1902	75,000	75,000.00	15,000.00	25.00	82,182.56	^c 9,808.09	10.66
1903	90,000	90,000.00	15,000.00	20.00	83,727.09	1,644.53	1.88
1904	100,000	100,000.00	10,000.00	11.11	65,048.10	^c 18,678.99	^c 22.31
1905	125,000	110,000.00	10,000.00	10.00	29,667.46	^c 35,890.64	^c 54.39
1906	110,000	110,000.00			27,901.97	^c 1,765.49	^c 5.95
1907	75,000	50,000.00	^c 60,000.00	^c 54.54	43,939.15	16,037.18	57.48
1908	50,000	^a 70,000.00	20,000.00	40.00	57,336.34	13,397.19	30.49
1909	(^f)	75,000.00	5,000.00	7.14			
1910	100,000						

^a Includes amounts for Detroit marine service and for mechanics.

^b Includes deficiency appropriation of \$315,571.99, and amounts for Detroit marine service and for mechanics.

^c Decrease.

^d Included in estimate for miscellaneous items, first and second class offices.

^e Includes \$700,000 for pay of letter carriers at offices where city delivery is established during the fiscal year to which the appropriation applies.

^f Included in estimate for pay of letter carriers at offices where city delivery is in operation.

^g Included in estimate for additional carriers.

^a Includes a deficiency appropriation of \$20,000.

HORSE HIRE.

Year ended June 30--	Estimate.	Appropriation.			Expenditure.		
		Amount.	Increase.	Per cent of in- crease.	Amount.	Increase.	Per cent of in- crease.
1899.....	\$380,000	\$380,000.00	\$10,000.00	2.72	\$405,768.81	\$33,892.81	9.11
1900.....	410,000	410,000.00	30,000.00	7.69	449,347.00	43,578.19	10.73
1901.....	475,000	475,000.00	65,000.00	15.85	496,242.28	46,895.28	10.46
1902.....	510,000	^a 511,968.51	36,968.51	7.20	522,947.91	66,705.63	13.46
1903.....	650,000	650,000.00	138,031.49	26.96	627,161.73	64,213.82	11.40
1904.....	750,000	750,000.00	100,000.00	15.38	665,217.97	38,066.24	6.08
1905.....	800,000	700,000.00	^b 60,000.00	^b 6.66	658,147.57	^b 7,070.40	^b 1.04
1906.....	725,000	725,000.00	25,000.00	3.57	682,255.96	24,108.39	3.81
1907.....	750,000	725,000.00			720,221.18	37,965.22	5.56
1908.....	750,000	^c 768,000.00	40,000.00	5.52	743,062.64	22,841.46	3.17
1909.....	900,000	800,000.00	35,000.00	4.58			
1910.....	875,000						

CAR FARE AND BICYCLES.

1899.....	\$185,000	\$185,000.00	\$10,000.00	5.71	\$182,684.83	\$12,607.85	7.41
1900.....	195,000	195,000.00	10,000.00	5.41	194,023.58	11,338.75	6.21
1901.....	230,000	230,000.00	35,000.00	17.85	230,012.68	35,989.10	18.55
1902.....	255,000	255,000.00	25,000.00	10.87	230,128.93	116.25	.006
1903.....	275,000	275,000.00	20,000.00	7.84	254,796.57	24,667.64	10.72
1904.....	300,000	300,000.00	25,000.00	9.09	269,596.68	14,790.11	5.80
1905.....	325,000	300,000.00			281,937.21	12,350.53	4.58
1906.....	350,000	325,000.00	25,000.00	8.33	302,280.62	20,343.41	7.25
1907.....	350,000	340,000.00	15,000.00	4.61	316,894.73	14,614.11	4.83
1908.....	360,000	^d 360,000.00	20,000.00	5.88	341,544.04	24,649.31	7.78
1909.....	425,000	400,000.00	40,000.00	11.11			
1910.....	425,000						

PAY OF MECHANICS.

1899.....	(^e)	(^f)					
1900.....	(^e)	(^f)					
1901.....	(^e)	(^f)					
1902.....	(^e)	(^f)					
1903.....	(^e)	\$15,000.00			\$16,239.97		
1904.....	\$19,800	19,800.00	\$1,800.00	10.00	16,771.70	\$531.73	3.27
1905.....	19,800	19,800.00			16,851.25	79.55	.05
1906.....	19,800	19,800.00			16,999.75	148.50	.09
1907.....	19,800	19,800.00			17,077.25	77.50	.05
1908.....	19,800	19,800.00			16,080.15	^b 997.10	^b 5.84
1909.....	19,800	19,800.00					
1910.....	19,800						

MARINE POSTAL SERVICE AT DETROIT, MICH.

1899.....	(^e)	(^f)					
1900.....	(^e)	(^f)					
1901.....	(^e)	(^f)					
1902.....	(^e)	(^f)					
1903.....	(^e)	\$4,500.00			\$4,645.00		
1904.....	\$4,500	4,500.00			3,836.00	^b \$809.00	^b 1.72
1905.....	12,000	4,500.00			4,445.00	610.00	1.59
1906.....	4,500	4,500.00			4,450.00	4.00	.009
1907.....	4,500	4,500.00			4,450.00		
1908.....	4,500	4,500.00			4,450.00		
1909.....	4,500	4,500.00					
1910.....	6,000						

^a Includes a deficiency appropriation of \$1,968.51.^b Decrease.^c Includes a deficiency appropriation of \$15,000.^d Includes a deficiency appropriation of \$10,000.^e No specific amount.^f Included in the appropriation for incidental expenses, free delivery service.

FEES TO SPECIAL-DELIVERY MESSENGERS.

[Prior to 1902 no appropriation was made for fees to special-delivery messengers.]

Year ended June 30—	Estimate.	Appropriation.			Expenditure.		
		Amount.	Increase.	Per cent of increase.	Amount.	Increase.	Per cent of increase.
1899.....					\$415,994.02	\$45,610.46	12.30
1900.....					477,184.97	61,190.95	14.70
1901.....					542,128.01	64,943.04	13.69
1902.....	\$665,000	\$665,000.00			621,014.80	78,886.79	14.51
1903.....	742,000	742,000.00	\$77,000.00	11.58	716,765.49	95,750.69	15.42
1904.....	800,000	800,000.00	58,000.00	7.95	791,078.54	74,311.05	10.36
1905.....	950,000	900,000.00	100,000.00	12.60	847,692.39	56,415.85	7.13
1906.....	950,000	a 920,000.00	20,000.00	2.22	934,590.64	87,098.25	10.27
1907.....	1,000,000	b 1,025,000.00	105,000.00	11.41	1,031,705.64	97,114.90	10.39
1908.....	1,075,000	1,075,000.00	50,000.00	4.88	1,096,761.11	67,056.57	6.49
1909.....	1,200,000	1,200,000.00	125,000.00	11.63			
1910.....	1,300,000						

CAR FARE FOR SPECIAL-DELIVERY MESSENGERS.

[Prior to 1900 no appropriation was made for car fare for special-delivery messengers.]

Year ended June 30—	Estimate.	Amount.	Increase.	Per cent of increase.	Amount.	Increase.	Per cent of increase.
1900.....	\$10,000	\$10,000.00			\$2,153.20		
1901.....	10,000	10,000.00			2,657.37	\$504.17	23.41
1902.....	10,000	10,000.00			3,709.20	1,051.83	39.58
1903.....	10,000	10,000.00			6,577.15	2,867.95	74.62
1904.....	12,000	12,000.00	\$2,000.00	20.00	6,988.47	411.32	6.25
1905.....	12,000	10,000.00	c 2,000.00	e 16.67	7,693.28	704.81	10.01
1906.....	10,000	10,000.00			8,417.31	724.03	9.41
1907.....	10,000	10,000.00			9,065.87	648.56	7.71
1908.....	12,000	10,000.00			9,403.24	337.37	3.72
1909.....	12,000	12,000.00	2,000.00	20.00			
1910.....	12,000						

* Includes a deficiency appropriation of \$20,000.

b Includes a deficiency appropriation of \$75,000.

c Decrease.

REPORTS OF THE DIVISIONS.

DIVISION OF POSTMASTERS' APPOINTMENTS.

The number of presidential postmasters appointed during the year ended June 30, 1908, was 2,174. Of this number 853 were previous incumbents whose commissions had expired or become invalid through the change of their names by marriage or through changes in the names of the offices, while the remainder were new appointees—262 at offices where the commissions of the postmasters had expired, 623 at offices advanced to the presidential class, and 436 at offices where the postmasters had resigned, died, or been removed for cause. There were 232 resignations, 102 deaths, and 102 removals. Of the postmasters whose commissions expired, about 76 per cent were reappointed.

The number of fourth-class postmasters appointed during the year was 11,945. Of this number 2,193 were appointed upon the establishment of new offices, 8,572 at offices where the postmasters had resigned, died, or been removed, 18 at offices relegated to fourth class, 64 by reason of change of name of postmaster by marriage, 316 by reason of change of name of the office, and 782 at offices where the original appointee had declined or failed to qualify.

The total number of postmasters of all classes appointed during the year was 14,119, an increase of 1,422 over the preceding year.

The following tables show in detail the principal operations of the Division of Postmasters' Appointments for the fiscal year as compared with those for the preceding year:

Item.	Year ended June 30—		In- crease.	De- crease.
	1907.	1908.		
Postmasters appointed:				
At presidential offices—				
On resignation of predecessor.....	200	232	32	.....
On death of predecessor.....	80	102	22	.....
On removal of predecessor.....	59	102	43	.....
On expiration of term—				
Reappointments.....	704	827	123	.....
New appointments.....	379	262		117
On advancement of office to presidential class.....	326	623	297	.....
On change of name of office.....	(a)	21	21	.....
On change of postmaster's name by marriage.....	(a)	5	5	.....
Total at presidential offices.....	1,748	2,174	543	117
At fourth-class offices—				
On resignation of predecessor.....	7,737	7,172		565
On death of predecessor.....	575	538		37
On removal of predecessor.....	1,041	862		179
On relegation of office to fourth class.....	23	18		5
On establishment of office.....	2,191	2,193	2	.....
On change of postmaster's name by marriage.....	75	64		11
On failure to commission appointee.....	(a)	782	782	.....
On change of name of office.....	221	316	95	.....
Total at fourth-class offices.....	11,863	11,945	879	797
Total at all offices.....	13,611	14,119	1,422	914
Post-offices established.....	2,191	2,193	2	.....
Post-offices discontinued.....	5,132	3,604		1,438
Names of post-offices changed.....	289	337	48	.....
Sites of post-offices changed.....	1,856	1,968	112	.....

* Not separately recorded.

Item.	Presiden- tial offices.	Fourth- class money-or- der offices.	Fourth- class not money-or- der offices.	Total.
Bonds examined and accepted:				
Bonds of newly appointed postmasters.....	2,154	5,243	5,032	12,429
Renewed bonds.....	286	9,074	4,012	13,372
Total.....	2,440	14,317	9,044	25,801
Commissions issued.....	2,154	5,243	5,032	12,429

The following table gives the number of post-offices of each class at the close of business on June 30 of each year from 1898 to 1908, inclusive:

Year.	First class.	Second class.	Third class.	Total presiden- tial classes.	Fourth class.	Total all classes.
1898.....	169	749	2,898	3,816	69,754	73,570
1899.....	176	789	3,028	3,993	71,007	75,000
1900.....	194	852	3,187	4,233	72,455	76,688
1901.....	208	940	3,318	4,466	72,479	76,945
1902.....	220	1,023	3,488	4,731	71,193	75,924
1903.....	242	1,107	3,690	5,039	69,130	74,169
1904.....	265	1,204	3,896	5,365	65,766	71,131
1905.....	275	1,258	4,120	5,653	62,478	68,131
1906.....	290	1,305	4,315	5,910	59,690	65,600
1907.....	316	1,400	4,598	6,314	56,345	62,659
1908.....	354	1,465	4,998	6,817	54,341	61,158

DIVISION OF SALARIES AND ALLOWANCES.

READJUSTMENT OF POSTMASTERS' SALARIES.

The following table shows the changes resulting from the annual adjustment of presidential postmasters' salaries and the assignment of post-offices to the presidential classes on the basis of the receipts in the four quarters ended March 31, 1908, and also the number of presidential offices discontinued during the fiscal year 1908, and the number of offices advanced from the fourth class to the presidential grade on October 1, 1907, January 1, 1908, April 1, 1908, and July 1, 1908:

	First class.	Second class.	Third class.	Total presidential.
Number of offices July 1, 1907.....	358	1,569	4,485	6,352
Increases:				
Advanced from fourth class October 1, 1907.....			114	114
Advanced from fourth class January 1, 1908.....			306	306
Advanced from fourth class April 1, 1908.....			59	59
Advanced from lower class July 1, 1908.....	30	129	62	221
Relegated from higher class July 1, 1908.....		2	11	13
Decreases:				
Advanced to higher class July 1, 1908.....		30	129	159
Relegated to lower class July 1, 1908.....	2	12	32	46
Discontinued subsequent to July 1, 1907.....	2	3	9	14
Number of offices July 1, 1908.....	384	1,595	4,867	6,846
Net increase since July 1, 1907.....	26	86	382	494
Salaries of postmasters:				
July 1, 1908.....	\$1,360,100	\$3,787,400	\$7,019,600	\$12,157,100
Increase over salaries on July 1, 1907.....	95,000	207,900	564,000	866,900
Gross receipts:				
Four quarters ended March 31, 1908.....	121,933,546	24,648,281	19,102,711	165,684,498
Increase over receipts for four quarters ended March 31, 1907.....	7,786,768	1,360,798	2,880,824	12,068,390

QUARTERS FOR POST-OFFICES.

The number of offices in federal buildings and in leased quarters on June 30, 1908, as compared with June 30, 1907, was as follows:

Item.	Year ended June 30—					
	1907.			1908.		
	In federal buildings.	In leased quarters.		In federal buildings.	In leased quarters.	
		Number.	Rental.		Number.	Rental.
First-class offices.....	242	74	\$145,605	258	75	\$162,237
Stations.....	3	509	850,436	3	576	935,065
Second-class offices.....	146	1,112	819,382	143	1,229	886,778
Stations.....		18	6,007		16	5,070
Third-class offices.....	17	917	289,217	17	1,069	338,404
Fourth-class offices.....	2			3		
Total.....	410	2,690	2,110,657	419	2,955	2,327,544

POSTAL STATIONS.

The following table shows the changes in postal stations during the year ended June 30, 1908:

Item.	Number.
Stations established:	
Delivery stations.....	49
Numbered stations.....	402
Total.....	451
Stations established in place of post-offices discontinued:	
Delivery stations.....	25
Numbered stations.....	11
Total.....	36
Stations discontinued:	
Delivery stations.....	14
Numbered stations.....	42
Total.....	56
Numbered stations changed to delivery stations.....	8
Delivery stations changed to numbered stations.....	7

DIVISION OF CITY DELIVERY.

The city delivery service was extended during the year to 92 additional post-offices and two city delivery offices were consolidated with others which had the service, thus making a net increase of 90, the largest during any year since 1903. At the close of the year the number of regular carriers employed was 26,352, an increase during the year of 1,775.

The following table shows the development of the service during the forty-five years of its existence:

Year ended June 30—	City delivery offices.		Carriers.		Gross receipts of city delivery offices.		Cost of service.		Ratio of cost to gross receipts.	Cost per carrier.
	Num-ber.	In-crease.	Num-ber.	In-crease.	Amount.	In-crease.	Amount.	In-crease.		
				Per ct.		Per ct.		Per ct.	Per ct.	
1864.....	66		685				\$317,063.20			\$462.86
1865.....	45		757				448,664.51			592.68
1866.....	46		863				589,236.41			682.77
1867.....	47		943				699,934.34			742.24
1868.....	48		1,198				995,934.59			831.33
1869.....	48		1,246				1,183,915.31			950.17
1870.....	51		1,362				1,230,079.85			903.14
1871.....	52		1,419				1,353,923.23			954.14
1872.....	52		1,443				1,385,965.76			970.43
1873.....	52		1,498				1,422,495.48			949.59
1874.....	87	35	2,049				1,802,696.41			879.79
1875.....	87		2,195				1,890,041.99			866.51
1876.....	87		2,269				1,981,186.51			873.15
1877.....	87		2,265				1,893,619.85			836.08
1878.....	87		2,275	0.4	\$12,117,820.24		1,824,166.96		15.05	801.84
1879.....	88	1	2,359	3.6	13,066,470.76	7.8	1,947,706.61	6	14.90	825.69
1880.....	104	16	2,628	13.9	15,082,186.65	15.4	2,363,693.14	21.4	15.66	879.31
1881.....	109	5	2,861	6.4	16,887,086.23	11.9	2,499,911.54	5.7	13.61	873.78
1882.....	112	3	3,115	8.8	19,414,772.80	14.9	2,622,262.74	4.9	13.51	842.45
1883.....	154	42	3,680	18.1	22,317,499.94	14.9	3,173,336.51	20.9	14.21	862.31
1884.....	159	5	3,890	5.7	21,596,020.08	3.2	3,504,200.52	10.4	16.22	891.82
1885.....	178	19	4,358	12	21,940,189.42	1.6	3,985,952.55	13.4	18.15	914.62
1886.....	181	3	4,841	11	22,629,826.66	3.1	4,312,306.70	9	19.05	890.58
1887.....	189	8	5,310	9.6	25,014,885.30	10.5	4,618,692.07	6.7	18.46	869.82
1888.....	358	169	6,346	19.3	29,459,943.33	13.7	5,422,356.36	17.4	18.40	854.45
1889.....	401	43	8,257	30.1	32,206,493.72	9.3	6,957,941.90	28.3	21.60	842.67
1890.....	454	53	9,066	9.7	36,648,000.49	13.8	7,976,202.72	14.6	21.21	879.70

Year ended June 30—	City delivery offices.		Carriers.		Gross receipts of city delivery offices.		Cost of service.		Ratio of cost to gross receipts.	Cost per carrier.
	Number.	Increase.	Number.	Increase.	Amount.	Increase.	Amount.	Increase.		
				<i>Per ct.</i>		<i>Per ct.</i>		<i>Per ct.</i>	<i>Per ct.</i>	
1891....	519	65	10,130	11.7	\$40,405,386.28	10.2	\$9,072,130.31	13.7	22.47	\$905.57
1892....	568	49	10,737	5.8	44,031,728.77	9	9,906,892.67	9.9	22.63	928.27
1893....	610	42	11,625	8.2	48,444,363.83	10	10,683,575.26	7	22.05	919.01
1894....	610	.....	11,736	.9	45,801,210.16	a 5.15	11,229,436.78	5.1	24.51	956.83
1895....	604	.....	12,714	8.2	49,128,621.42	7.2	12,135,844.93	8	24.70	954.50
1896....	627	23	12,834	.94	52,567,624.42	7.7	12,713,851.41	4.7	24.18	970.59
1897....	629	2	12,931	.75	52,411,470.37	.33	12,827,396.69	.88	24.32	991.98
1898....	688	59	13,696	5.9	56,631,804.68	7.47	13,387,506.10	4.4	23.62	977.47
1899....	735	47	14,256	4	61,807,916.82	9.04	13,905,800.00	3.9	22.50	975.43
1900....	796	61	15,322	7.48	66,775,903.86	8	14,512,190.04	4.4	21.73	979.78
1901....	866	71	16,389	6.96	74,295,394.67	11.26	15,752,000.00	8.55	21.20	961.17
1902....	933	67	17,787	8.5	83,330,812.37	12.16	17,123,310.90	8.7	20.55	962.80
1903....	1,032	99	19,542	9.9	99,466,623.13	12.14	19,837,986.00	12.93	20.69	989.56
1904....	1,100	68	20,758	6.24	101,708,230.31	8.82	20,561,208.10	6.33	20.22	990.38
1905....	1,144	44	21,778	4.91	109,801,335.35	7.96	20,919,078.13	1.71	19.05	960.56
1906....	1,184	40	22,965	5.45	120,432,776.60	10.06	21,980,432.92	5.07	18.19	957.14
1907....	1,240	56	24,577	7.02	133,632,381.11	10.52	23,170,203.63	5.41	17.35	942.76
1908....	1,330	90	26,352	7.22	139,335,504.07	4.51	26,258,039.16	13.33	18.81	996.43

a Decrease.

NOTE.—Prior to the fiscal year 1878 the gross receipts of city delivery offices were not reported separately by the auditor.

SPECIAL-DELIVERY SERVICE.

Fees of 8 cents each on special-delivery mail were claimed by postmasters last year to the total amount of \$1,098,761.11, indicating that 13,734,514 pieces of mail of this character were delivered. These figures relate to all post-offices, irrespective of class. The following table contains a comparative statement of special-delivery mail handled at city delivery offices during the fiscal years 1907 and 1908:

Item.	Year ended June 30—		Increase.	Percentage of increase.
	1907.	1908.		
Number of special-delivery messengers.....	3,404	3,649	245	7.20
Number of pieces of special-delivery mail arriving from other offices.....	9,660,190	10,243,463	583,273	6.04
Number of pieces of special-delivery mail for local delivery.....	1,712,621	1,781,117	68,496	4.00
Total.....	11,372,811	12,024,580	651,769	5.73
Number of pieces that failed of delivery by messengers.....	569,765	593,241	a 23,476	4.12
Amount of compensation paid to messengers or others for special delivery.....	\$896,181.82	\$954,007.71	\$57,825.89	6.45
Average number of minutes consumed in making delivery.....	18	18	.....	.....

* The number of pieces failing of special delivery in 1908 was but 4.93 per cent of the total number received, against 5.01 per cent in 1907.

Respectfully,

C. P. GRANDFIELD,
First Assistant Postmaster-General.

HON. GEORGE V. L. MEYER,
Postmaster-General.



REPORT
OF THE
SECOND ASSISTANT POSTMASTER-GENERAL
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

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REPORT

OF THE

SECOND ASSISTANT POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
OFFICE SECOND ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., November 23, 1908.

SIR: I have the honor to submit the following report for the fiscal year ended June 30, 1908:

The Second Assistant Postmaster-General is charged with the authorization and management of the transportation of the domestic and foreign mails, and this bureau comprises six divisions, as follows: Division of Railway Adjustments, Division of Contracts, Division of Foreign Mails, Division of Railway Mail Service, Division of Inspection, and Division of Equipment.

GENERAL STATEMENT OF MAIL SERVICE.

The mail service in operation on June 30, 1908, was as follows:

Service.	Number.	Aggregate length.	Annual rate of expenditure.
		<i>Miles.</i>	
Star routes.....	14,082	182,286.51	\$6,865,476.07½
Special office routes.....	1,120	12,453.90	28,828.61
Steamboat routes.....	215	29,870.82	758,235.09
Railroad routes.....	3,293	213,220.477	44,722,985.47
Railway post-office cars.....			4,681,777.58
Railway mail service (officers and clerks).....	15,296		17,479,504.84
Mail-messenger routes.....	7,654	5,079.64	1,459,694.68
Wagon routes (in cities).....	809	1,081.21	1,331,572.90
Electric and cable car routes.....	508	6,764.77	814,836.32
Pneumatic-tube routes.....	5	31.333	582,679.74
Mail equipment.....			• 533,276.76
Freight or expressage on mail bags, etc.....			211,890.30
Miscellaneous expenses.....			805.58
Total inland mail service.....			79,421,063.34½
Foreign mails:			
Aggregate cost.....		\$3,072,623.24	
Less intermediary service to foreign countries.....		\$196,711.52	2,876,911.72
Total.....			82,296,975.06½

• Includes \$43,511.31 for rent of buildings for use of Post-Office Department.

Summary of all classes of domestic mail service in operation June 30, 1908.

Number of routes.....	27, 136
Length of routes.....miles.....	450, 738. 66
Number of miles traveled per annum.....	538, 438, 722. 74
Annual rate of expenditure.....	\$79, 421, 063. 34
Rate of cost per mile traveled.....cents.....	14. 75
Rate of cost per mile of length.....	\$176. 20
Average number of trips per week.....	11. 48

Comparison with the report of June 30, 1907, shows:

	Per cent.
Decrease in number of routes.....	523 or 1. 89
Decrease in length of routes.....miles.....	12, 667. 88 or 2. 73
Increase in number of miles traveled per annum.....	13, 712, 975. 28 or 2. 61
Increase in annual rate of expenditure.....	\$611, 969. 86 or 0. 77
Decrease in rate of cost per mile traveled.....cent.....	0. 26 or 1. 76
Increase in rate of cost per mile of length.....	\$6. 14 or 3. 61
Increase in average number of trips per week.....	0. 60 or 5. 51

	Number.
Contracts drawn in duplicate during the year.....	4, 246
Proposals received during the year under general advertisements.....	6, 716
Proposals received during the year under bulletin advertisements.....	8, 335

EXPENDITURES, APPROPRIATIONS, AND ESTIMATES.

The following statement shows the expenditures for the past fiscal year, as reported by the Auditor for the Post-Office Department under accounts stated to September 30, 1908, the appropriation for the current fiscal year, and the estimate of amount required for the next fiscal year for each item of service:

Service.	Expenditures for fiscal year ended June 30, 1908.	Appropriations for fiscal year ending June 30, 1909.	Estimates for fiscal year ending June 30, 1910.
Star service, including special offices.....	\$7, 125, 025. 80	\$7, 200, 000. 00	\$7, 060, 000. 00
Steamboat service.....	763, 338. 75	800, 000. 00	760, 000. 00
Railroad transportation.....	43, 588, 012. 70	44, 000, 000. 00	46, 500, 000. 00
Railway post-office cars.....	4, 667, 366. 25	4, 800, 000. 00	4, 800, 000. 00
Railway Mail Service.....	17, 373, 336. 92	18, 936, 000. 00	19, 899, 600. 00
Mail-messenger service.....	1, 416, 300. 19	1, 660, 000. 00	1, 630, 000. 00
Electric and cable car service.....	791, 733. 33	725, 000. 00	780, 000. 00
Wagon service, in cities.....	1, 319, 017. 18	1, 700, 000. 00	1, 705, 000. 00
Pneumatic-tube service.....	482, 812. 62	1, 000, 000. 00	1, 010, 000. 00
Mail equipment.....	535, 747. 41	650, 000. 00	468, 500. 00
Freight or expressage on postal cards, etc.....	211, 497. 07	300, 000. 00	350, 000. 00
Miscellaneous service.....	805. 68	1, 000. 00	1, 000. 00
Total inland service.....	78, 174, 968. 80	81, 572, 000. 00	84, 914, 100. 00
Foreign mail service:			
Transportation.....	2, 842, 179. 63	3, 508, 862. 00	3, 573, 000. 00
Balances due foreign countries.....	138, 062. 82	179, 000. 00	304, 000. 00
Assistant superintendent, New York, N. Y.....	2 500. 00	2, 500. 00	2, 500. 00
Aggregate.....	81, 157, 720. 75	85, 262, 362. 00	88, 793, 600. 00

* Includes "Rent of buildings for use of Post-Office Department, \$43,511.81."

INCREASE IN EXPENDITURES FOR MAIL TRANSPORTATION.

The following table shows the aggregate expenditures for all items under the supervision of this office, by fiscal years, from 1888 to 1908,

inclusive, the increase in amount and the per cent of increase for each year over the preceding year:

Year.	Expenditures.	Increased expenditure over preceding year.	Per cent.
1888.....	\$80,898,209.58	\$1,647,064.97	5.72
1889.....	83,506,648.78	3,113,439.20	10.24
1890.....	35,246,162.89	1,739,514.16	5.19
1891.....	38,089,584.78	2,798,421.89	7.92
1892.....	40,856,432.04	2,318,847.26	6.09
1893.....	42,904,598.38	2,546,161.84	6.30
1894.....	44,920,083.64	2,015,440.26	4.69
1895.....	45,716,380.33	796,346.69	1.77
1896.....	47,894,486.56	2,178,106.23	4.76
1897.....	49,897,992.32	2,008,506.76	4.18
1898.....	52,319,790.86	2,421,798.54	4.85
1899.....	53,945,796.89	1,626,006.03	3.11
1900.....	56,874,206.49	2,428,409.60	4.50
1901.....	58,264,040.67	1,889,834.18	3.35
1902.....	61,153,775.92	2,889,735.25	4.96
1903.....	65,821,711.74	4,167,985.82	6.31
1904.....	69,820,732.77	4,499,021.03	6.88
1905.....	72,862,605.41	3,041,872.64	4.35
1906.....	76,121,506.26	3,258,900.85	4.47
1907.....	80,971,264.37	4,849,758.11	6.37
1908.....	81,157,720.75	186,456.38	.28

* Under accounts stated to September 30, 1908.

DIVISION OF RAILWAY ADJUSTMENTS.

RAILROAD TRANSPORTATION.

Service and expenditure.

Number of routes.....	3,298
Length of routes.....miles.....	213,220.477
Annual travel.....do.....	407,799,039.44
Annual rate of expenditure.....	\$44,722,985.47
Rate of cost per mile traveled.....cents.....	10.96
Rate of cost per mile of length.....	\$209.75
Average number of trips per week.....	18.39

Comparison with the previous year shows:

	Per cent.
Increase in number of routes.....	69 or 2.19
Increase in length of routes.....miles.....	5,982,607 or 2.88
Increase in annual travel.....do.....	20,241,873.91 or 5.22
Decrease in annual rate of expenditure.....	\$395,888.87 or 0.87
Decrease in rate of cost per mile traveled.....cent.....	0.68 or 5.84
Decrease in rate of cost per mile of length.....	\$7.96 or 3.65
Increase in average number of trips per week.....	0.41 or 2.23

There was no unadjusted service on June 30, 1908. The appropriation for the last fiscal year was \$44,660,000. The auditor reports the amount expended, under accounts stated to September 30, 1908, as \$43,588,012.70, leaving an unexpended balance of \$1,071,987.30, out of which unsettled accounts must be paid.

The appropriation for railroad transportation for the current fiscal year is \$44,000,000, which is in accordance with the revised estimate submitted after the publication of the last annual report. The estimate named in that report was made before the readjustments in the third contract section had been completed and before it was possible to know what result could be expected from the application of the new divisor. The amount of the appropriation is, how-

ever, inadequate, for the reason that after the estimate was made and before the beginning of the present fiscal year certain Pacific railroads, from whose compensation the Treasury Department was required to withhold a certain amount on account of balance due the Government upon their bonded indebtedness, canceled such indebtedness. As a result this amount theretofore withheld will be paid to such companies and will create a deficiency in this appropriation which will be covered in a deficiency estimate.

The annual rate of expenditure was—

June 30, 1908.....	\$44, 722, 985. 47
July 1, 1908.....	44, 718, 948. 26
September 30, 1908.....	44, 778, 874. 34

For information as to the several routes on which the mails were weighed and the pay adjusted from July 1, 1908, see Table B.

The amount estimated as necessary for railroad transportation for the fiscal year ending June 30, 1910, is \$46,500,000, being \$2,500,000, or 5.68 per cent, more than the appropriation for the current fiscal year.

At the time the last annual report was submitted the reduction of pay for the transportation of the mails on railroad routes and for railway post-office car service, as provided for by the act of March 2, 1907, was known for the first, second, and fourth contract sections and stated therein. The third contract section was being readjusted, and the reduction for that section had not been ascertained. This is now shown below, namely:

Contract section.	Railroad transportation.		Railway post-office cars.	
	Amount.	Per cent.	Amount.	Per cent.
Third	\$759, 145. 88	4. 10	\$442, 755. 76	16. 70

The total reduction, in accordance with the provisions of the law, for the fiscal year 1908 for both services was, therefore, \$2,676,468.72, or 5.24 per cent.

These rates per cent are based on the entire pay for transportation and for railway post-office cars in the section named. If based on the rate of pay of the routes from which reductions were made, in accordance with the provisions of the act above referred to, the rates per cent of reduction would be as follows:

Section.	Transportation.	Railway post-office cars.
	Per cent.	Per cent.
Third	5. 08	16. 88

Quadrennial readjustment.—During the fiscal year the mails were weighed on the railroad routes in the second section, embracing the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, and Kentucky, and the island of Porto Rico. The annual rate of expenditure for railroad transportation in that section on June 30, 1908, was \$4,602,915.90.

The result of the readjustment of pay for railroad transportation effective July 1, 1908, for the ensuing four years in this section, based upon the weighing of the mails, shows an increase of \$67,237.58, being 1.49 per cent; and for railway post-office car pay an increase of \$2,981.35, or 0.8 per cent. The rate of increase for railroad transportation pay in this section under the previous readjustment was 12.30 per cent. The reduction in this rate of transportation pay is due to the application of the Postmaster-General's order of June 7, 1907, No. 412, requiring the use of the whole number of days in the weighing period as a divisor in obtaining the average daily weight, and to the withdrawal of equipment and supplies from the mails. The true effect of the application of the new divisor is not shown in these figures, as the comparison is made with the transportation pay on June 30, 1908, computed upon the old weights. The difference between the transportation pay computed on the new weights by the use of the old divisor and by the use of the new divisor is found to be \$434,730.82 per annum, or a saving of 8.78 per cent.

The completion of the work of readjustment in the third contract section, which occurred after the submission of the last annual report, shows an increase in railroad transportation pay for that section of \$380,333.94, or 2.41 per cent, and a decrease in railway post-office car pay of \$507,634.68, or 18.01 per cent.

The application of the Postmaster-General's order of June 7, 1907, No. 412, requiring the use of the whole number of days in the weighing period as a divisor in obtaining the average daily weight to the computations for the readjustment of this, the third contract section, effective July 1, 1907, resulted in a reduction in the total compensation for service in such section of \$1,787,378.10 per annum, or 9.65 per cent.

Tabulations at Washington.—In the last annual report attention was called to the manner in which the tabulations of weights taken during the quadrennial weighing and their certification to the division of railway adjustments in this office are made. At present these tabulations are made in the offices of the superintendents, Railway Mail Service, at division headquarters, by a special force of tabulators employed during the period for that purpose. The expenses of the weighings, including these tabulations, are paid out of the appropriation for the transportation of the mails, as provided for by law. (Act of March 3, 1875, ch. 128, 18 Stat. L., 341.)

The advisability of making these tabulations in the department under one general supervision, securing uniformity of method and greater economy, was set forth. I fully agree with this view and believe that it would be an improvement in administration if this were done. Legislative authority to rent quarters in the District of Columbia for the accommodation of the tabulators to be so employed is lacking. I therefore recommend that this authority be secured, and in order that the services of tabulators so employed may be made most effective, as under the decision of the Comptroller they can not now be employed upon the work of completing computations, suggest the following provision for enactment:

Out of the appropriation for inland mail transportation, the Postmaster-General is authorized hereafter to pay rental in Washington, District of Columbia, and compensation to tabulators and clerks employed in connection

with the weighings, for assistance in completing computations, in connection with the expenses of taking the weights of mails on railroad routes, as provided by law.

Economy in readjustments.—Reference was made in the last annual report to the policy of the department to equalize the rates of pay for transportation by railroad routes where the department has the opportunity of dispatching mails by competing lines to the same destination, one of which is shorter or less expensive than the other, and where such mails can be carried as advantageously for the department by the shorter or less expensive route as by the longer or more expensive one, and the mails are allowed to remain with the latter. In adjusting the pay for the second contract section, where the mails were last weighed, the principle was applied to adjustments of compensation for the new term of service beginning July 1, 1908, on routes Nos. 118002, 120030, 120002, 120005, 120004, and 121009, between Weldon, N. C., and Jacksonville, Fla., and on route No. 123018 from Jacksonville to Tampa, Fla. The equalization of rates on these routes resulted in a saving of \$1,126.55 per annum from July 1, 1908, or \$4,506.20 for the four-year term.

At the time the last annual report was submitted, the adjustments in the third contract section had not been completed, and the saving by reason of the equalization of rates mentioned therein was not known. The saving effected by orders made to date (on routes Nos. 135007 and 143005, Chicago, Ill., to Union Pacific Transfer (n. o.), Iowa) is \$9,270.83 per annum from July 1, 1907, or \$37,083.32 for the four-year term.

Readjustments for diversions of mails.—In the last annual report mention was made of the fact that after the weighing is had and the compensation is adjusted upon routes in a contract section mails may be diverted from one route to another, on account of changes in railroad schedules, and the department is unable to readjust the compensation upon the routes affected without another weighing. In such a case the railroad company to whose route mails are diverted must carry the additional weights to the end of the contract term without receiving additional compensation therefor, and the company from whose route the mails have been diverted continues to receive compensation for mails it no longer carries. A reweighing during the contract term of all the mails upon the routes affected is undesirable. The weights of such diverted mails could, however, be taken alone, their daily average computed, and the daily average weights of the routes affected could be revised accordingly, making allowance for the increase in the weights of mails subsequent to the regular weighing in order that the average daily weight of the diverted mails should not be augmented thereby. I renew the recommendation that specific authority therefor be enacted by Congress as follows:

When, after a weighing of the mails for the purpose of readjusting the compensation for their transportation on a railroad route, mails are diverted therefrom, the Postmaster-General may, in his discretion, ascertain the effect of such diversion by a weighing of such mails for such number of successive working days as he may determine, and have the weights stated and verified to him as in other cases, and readjust the compensation upon the routes affected accordingly: *Provided*, That no readjustment shall be made unless the diverted mails equal at least ten per centum of the average daily weight of either of the routes affected.

Railroad mail transportation and compensation therefor.—In the last annual report mention was made of the fact that the period fixed for securing data relative to the operating, receipts and expenditures of railroad companies had been postponed at the instance of companies wishing to suggest uniform methods of treating the inquiries issued by this office. Delay in submitting these suggestions has prevented again fixing the period. The matter has been taken up with all the large railway systems with the hope of perfecting the plan, so that the statements when submitted will be complete and adequate. It is believed that in a short time the revised inquiries and forms will be issued, and the data will be secured and submitted to Congress.

The reports will be voluminous and the tabulation and arrangement of the data will require the special work of clerks not available in the regular force. I therefore renew the recommendation that Congress appropriate \$5,000 for this purpose, including the rental of suitable quarters in Washington, D. C.

There is an inconsistency in the present law fixing the rate for railroad transportation upon land-grant roads for weights above 48,000 pounds, to which attention is respectfully called. The statute fixes this land-grant rate at \$17.10 for each 2,000 pounds. This is a higher rate than the land-grant rate for the same weight between 5,000 and 48,000 pounds, which is \$16.24 for each 2,000 pounds. It is believed that this discrepancy occurred through an inadvertence when the law was revised in 1907. As the general law provides that a railroad company whose railroad was constructed in whole or in part by a land grant, etc., shall receive only 80 per centum of the compensation otherwise authorized, this rate of \$17.10 for each 2,000 pounds above 48,000 pounds should be changed to \$15.39, which is 80 per centum of \$19.24, the rate for other service for the same amount of mail.

Increase in annual rate of expenditure.—The following table indicates the increase or decrease, by years, in the annual rate of expenditure for the transportation of the mail by railroad according to rates fixed by Congress.

Annual cost of railroad transportation from 1880 to 1908, inclusive.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.	Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1879	\$8,463,197.00			1894	\$27,153,091.16	\$1,436,485.31	5.58
1880	9,237,945.00	\$774,748.00	9.15	1895	27,961,931.78	808,840.62	2.97
1881	10,249,261.00	1,011,316.00	10.94	1896	28,941,880.47	979,948.69	3.50
1882	11,297,333.00	1,048,072.00	10.57	1897	30,171,542.69	1,229,662.22	4.24
1883	12,238,799.00	991,466.00	8.77	1898	30,786,375.99	614,833.20	2.02
1884	13,273,606.00	964,807.00	8.00	1899	31,942,150.88	1,154,774.99	3.76
1885	14,758,495.00	1,484,889.00	11.18	1900	33,424,982.15	1,482,831.27	4.64
1886	15,520,191.00	761,696.00	5.16	1901	33,881,890.24	456,908.09	1.36
1887	16,174,691.22	654,500.22	4.21	1902	35,049,211.22	1,167,320.98	3.44
1888	17,528,599.80	1,353,908.58	8.37	1903	36,607,524.90	1,558,313.58	4.44
1889	19,441,095.78	1,912,495.98	10.91	1904	39,177,376.52	2,569,851.72	7.02
1890	20,869,231.55	1,428,135.77	7.34	1905	39,838,070.75	666,694.23	1.67
1891	22,398,868.66	1,529,637.11	7.32	1906	41,610,785.62	1,772,714.87	4.46
1892	24,196,329.71	1,797,461.05	8.02	1907	45,118,872.34	3,508,086.72	8.43
1893	25,716,605.85	1,520,276.14	6.28	1908	44,722,985.47	396,886.57	0.87

* Decrease.

Annual cost of railroad post-office cars from 1880 to 1908, inclusive.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.	Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1879	\$1,104,392.00			1894	\$3,205,098.85	\$11,509.40	0.36
1880	1,261,041.00	\$156,649.00	14.18	1895	3,243,410.80	38,311.95	1.19
1881	1,364,107.00	103,066.00	8.17	1896	3,463,916.70	220,505.90	6.79
1882	1,456,851.00	91,744.00	6.73	1897	3,704,978.50	241,061.80	6.96
1883	1,599,001.00	143,150.00	9.83	1898	3,917,471.67	212,493.17	5.73
1884	1,738,997.00	139,996.00	8.76	1899	4,175,724.86	258,253.19	6.69
1885	1,869,488.00	130,491.00	7.50	1900	4,368,999.59	193,274.73	4.62
1886	1,816,321.00	53,167.00	2.84	1901	4,638,284.03	269,284.44	6.16
1887	1,881,580.50	65,259.50	3.59	1902	4,904,396.73	266,162.70	5.73
1888	1,996,359.35	114,778.85	6.10	1903	5,279,323.79	374,927.06	7.64
1889	2,198,517.55	202,158.20	10.12	1904	5,618,233.84	338,910.05	6.02
1890	2,526,000.11	327,482.56	14.89	1905	5,743,444.41	225,210.57	4.06
1891	2,784,845.16	258,845.05	10.24	1906	5,870,251.94	126,807.53	2.20
1892	2,930,199.40	145,354.24	5.22	1907	5,889,238.98	18,987.04	.32
1893	3,193,589.45	263,390.65	8.98	1908	4,681,777.58	\$1,207,461.40	20.50

Annual cost of railroad transportation and railroad post-office cars combined, 1880 to 1908, inclusive.

Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.	Fiscal year June 30—	Annual rate of expenditure.	Increase.	Per cent.
1879	\$9,567,589.00			1894	\$30,358,190.01	\$1,447,994.71	5.00
1880	10,498,986.00	\$931,397.00	9.73	1895	31,205,342.58	847,152.57	2.79
1881	11,613,368.00	1,114,382.00	10.61	1896	32,405,797.17	1,200,454.59	3.84
1882	12,753,184.00	1,139,816.00	9.81	1897	33,876,521.19	1,470,724.02	4.58
1883	13,857,800.00	1,134,616.00	8.89	1898	34,703,847.56	827,326.37	2.44
1884	15,012,003.00	1,124,803.00	8.09	1899	36,117,875.74	1,414,028.18	4.06
1885	16,627,983.00	1,615,380.00	10.76	1900	37,793,981.74	1,676,106.00	4.64
1886	17,336,512.00	708,529.00	4.26	1901	38,519,624.27	725,642.53	1.92
1887	18,056,271.72	719,759.72	4.15	1902	39,953,607.95	1,433,983.68	3.72
1888	19,524,959.15	1,468,687.43	8.13	1903	41,886,848.59	1,933,240.64	4.84
1889	21,639,613.33	2,114,654.18	10.83	1904	44,695,610.36	2,808,761.77	6.70
1890	23,395,231.66	1,755,618.33	8.11	1905	45,576,515.16	880,904.80	1.97
1891	25,183,713.82	1,788,482.16	7.64	1906	47,481,037.56	1,904,522.40	4.17
1892	27,126,523.11	1,942,815.29	7.71	1907	51,008,111.32	3,527,073.76	7.42
1893	28,910,195.30	1,783,666.19	6.57	1908	49,404,763.05	\$1,603,348.27	3.24

* Decrease.

Railway post-office cars.—The annual rate of expenditure for this service on June 30, 1908, was \$4,681,777.58, being \$1,207,461.40, or 20.50 per cent less than the previous year.

The appropriation for the last fiscal year was \$5,080,000; the sum expended, as reported by the auditor, was \$4,567,366.25.

The appropriation for the present fiscal year is \$4,800,000.

The annual rate of expenditure was—

June 30, 1908	\$4,681,777.58
July 1, 1908	4,649,900.01
September 30, 1908	4,628,061.14

The amount estimated as necessary for the fiscal year ending June 30, 1910, is \$4,800,000, being the same as for the current year.

The effect, for the third contract section, of the provisions of the act of 1907, reducing the pay for railway post-office car service, ascertained from the complete readjustment of pay for that section, is shown on page 8.

During the fiscal year careful inquiry has been made as to the necessities for railway post-office car service, resulting, in a number of cases, in a restatement of the authorized car space to conform to

the needs of the service and in accordance with the Postmaster-General's order of March 28, 1908, No. 1219, and effecting a saving of \$272,040.60 (an annual rate of \$345,287.06) during the fiscal year ended June 30, 1908. This will result in a total saving of \$811,903.18 during the terms for which existing pay is stated.

From the passage of the law in 1873 allowing additional compensation for railway post-office cars, to the year 1897, authorized half lines of railway post-office cars were unknown in the service. Thereafter a practice gradually arose of making agreements with railroad companies for the authorization and operation of half lines in cases where the postal needs in one direction warranted the authorization of such cars, but in the opposite direction did not. It became the practice to secure an agreement from the railroad company, when practicable, for the authorization and operation of a half line where these conditions arose.

Half lines arose also where, after authorization of a full line of railway post-office cars, the needs of the service in one direction grew faster than those in the opposite direction. In such a case it was customary to offer the company pay for additional space in one direction only. If accepted by the company, this converted the full line into two half lines with different rates of pay. It has also been customary to deduct the pay for a car-run where the railway post-office car was returned deadhead—that is, without mail or clerks therein.

When, during the past year, the department made orders reducing lines to half lines where it was learned that the authorizations were in excess of the actual needs of the service in one direction, protests were made by the companies concerned, which brought under consideration the whole subject. A departmental commission was appointed to hear with the Second Assistant Postmaster-General the representations of the companies, consider the matter, and report thereon. The companies have claimed that the law does not recognize half lines; that if a car is furnished for postal purposes it must be run in both directions, and is practically the same expense in its operation whether the department uses it one way or both ways; that if a 50-foot or a 60-foot car is required to meet the needs of the service in one direction it is necessary to return the car in the opposite direction, and that, although the department may not need the full space in the opposite direction, the operation of the car is as expensive as if the department were to use it in both directions; and that the department does not allow them to use any part of the railway post-office car, although it may be only partially used by the department. For these reasons they contend that they should be fully paid for the maximum length of the car actually operated.

Upon the other hand, it is contended that, inasmuch as additional pay is allowed by the statute for additional railway post-office car space upon the theory that such space is needed and used by the department for such purposes, the department would not be warranted in paying for space in excess of those needs or upon a trip where the space was not so used, and that, keeping in view the equities in favor of the Government, as well as those claimed by the companies, good administration requires an effort to state the pay upon the basis of the actual needs of the service.

The commission's report recommends allowance of full pay for a line of 40-foot cars in all cases where a 40-foot car must be run and returned, although the requirements of the service in the return direction do not demand 40 feet of space. It preserves the principle of half lines as far as the rates of pay are concerned in cases where the needs of the service differ in different directions, but does not contemplate the statement of pay in this manner excepting by agreement with the company. It recommends the statement as full lines of cars of the maximum length required to operate the service, with pay, however, equal to the allowance for half lines of the several dimensions needed. It recognizes the propriety of stating half lines without agreements where the cars are operated over different routes in different directions. It approves the practice of requiring the company to furnish apartment car space where a line of 60-foot cars is already authorized and the additional requirement does not warrant an additional 40-foot car. Finally, the report contemplates preserving the status of half lines which have heretofore been authorized under agreements or which have developed in the service without objection, so long as the same conditions of service continue; but contemplates the restatement, with increased pay, in those cases where the conditions of the service will warrant it or where half lines have been authorized without agreement and under objection and where agreements can not be secured for their continuance. These conclusions have been promulgated by an order of the Postmaster-General.

This effort to reach a satisfactory settlement of the perplexing question has not been altogether successful. A number of companies have cooperated with the department and accepted adjustments upon this basis, while others have refused. In all cases they contend that any rate less than the maximum rate for the full length of the car operated is inadequate.

Postal facilities in New York terminals.—The Pennsylvania Tunnel and Terminal Railroad Company's station, which will be the new terminal of the Pennsylvania Railroad Company in New York City, situated between Seventh and Ninth avenues and Thirty-first and Thirty-third streets, is now under construction and is expected to be ready for train service early in 1910. Steps have been taken to secure the best facilities for handling the mails in connection with it and the proposed new general post-office. The mail traffic problems would be simplified if the post-office building were ready for use at the time the new terminal is ready in 1910, and I recommend that action be taken to secure its early construction. Suitable action has been taken by this office with reference to the proper allotment of space in the new terminal for the use of the Post-Office Department.

The permanent location of branch post-office Station H, New York City, under the lease between the Post-Office Department and the New York Central Railroad Company, is to be on the eastern side of the terminal between Forty-third and Forty-fifth street and Lexington avenue and Depew place. The construction of the new terminal has necessitated immediate steps for securing adequate transportation facilities in connection with the branch post-office, which have been taken.

ELECTRIC AND CABLE CAR SERVICE.

Service and expenditures.

Number of routes.....	508
Length of routes.....miles..	6, 764. 77
Annual travel.....do.....	11, 716, 416. 26
Annual rate of expenditure (exclusive of \$172,600 for Chicago underground electric service).....	\$641, 736. 32
Rate of cost per mile traveled.....cents..	5. 47
Rate of cost per mile of length.....	\$94. 86
Average number of trips per week.....	16. 65

Comparison with the previous year shows:

	Per cent.
Increase in number of routes.....	21 or 4. 81
Increase in length of routes.....miles..	420. 85 or 6. 63
Increase in annual travel.....do.....	413, 861. 31 or 3. 66
Increase in annual rate of expenditure.....	\$27, 728. 93 or 4. 51
Increase in rate of cost per mile traveled.....cent..	0. 04 or 0. 78
Decrease in rate of cost per mile of length.....	\$1. 92 or 1. 98
Decrease in average number of trips per week.....	0. 48 or 2. 80

The above figures do not include the item of \$172,600 appropriated for mail service by underground electric cars in Chicago, Ill. This underground service terminated with the close of the fiscal year, and the mails are now being carried in wagons by contract under the appropriation for wagon service, the same being secured at an annual rate of expenditure of \$145,400.

The appropriation for the last fiscal year was \$870,000, the amount expended, as reported by the auditor, \$791,733.33, leaving an unexpended balance of \$78,266.67.

The appropriation for the current fiscal year is \$725,000.

The annual rate of expenditure was—

July 1, 1908.....	\$643,010. 78
September 30, 1908.....	643,963. 32

The sum estimated as necessary for the fiscal year ending June 30, 1910, is \$730,000, being \$5,000, or 0.68 per cent more than for the current fiscal year.

Chicago tunnel service succeeded by screen wagon service.—In the last annual report attention was called to the fact that the service for the transportation of the mails between the general post-office and the railroad stations in Chicago, Ill., was conducted by the Illinois Tunnel Company, operating underground cars, under a contract specially authorized by statute, which would expire June 30, 1908. Authority was requested for a renewal of this contract for a period of four years with the proviso that in the event no contract were entered into for such tunnel service for another term the amount appropriated, or as much thereof as might be necessary, should be available for regulation screen wagon service. Accordingly Congress, in making the annual appropriation for screen or other wagon service, included the following proviso, viz:

That the Postmaster-General is hereby authorized to contract, for a period not exceeding four years from July first, nineteen hundred and eight, by either screen wagon or underground electric car service in the city of Chicago, Illinois.

The amount appropriated for screen or other wagon service included the sum of \$340,000, in addition to the department's estimate

for wagon service, the contractor having given the department notice that it would not renew the contract at the old rate of \$172,600 and that fact having been communicated to the committees of Congress.

While the matter was still pending before Congress the department endeavored to secure a renewal of the tunnel contract at a reasonable rate. The best proposal received was at a maximum price of \$395,140 per annum.

An advertisement for regulation screen wagon service covering the service being performed by the tunnel company was issued inviting proposals for the performance of the service for the period of three years from July 1, 1908. Three proposals from responsible parties were submitted, the lowest being for \$145,400 and the highest for \$215,000. While these were under consideration the tunnel company was requested to submit the lowest rate at which it was willing to renew its contract and submitted a rate of \$300,000 per annum. This was deemed too high for the service required, and an award was made to the lowest bidder for wagon service, being at the rate of \$145,400 per annum, and a contract entered into accordingly. The wagon contractors have had extensive experience in the conduct of wagon service in Chicago and are giving satisfactory service. The amount saved to the department is \$154,600 per annum, the difference between the lowest bid of the tunnel company and the accepted bid of the wagon contractor. This will amount to a saving of \$463,800 during the term of the contract.

PNEUMATIC-TUBE SERVICE.

The following statement shows the pneumatic-tube service under contract and that part of it in operation on June 30 and July 1, 1908:

Pneumatic tube service in operation June 30 and July 1, 1908.

State.	Route No.	City.	Contractor.	Total service under contract.		Service in operation June 30 and July 1, 1908	
				Length.	Annual pay.	Length.	Annual pay.
Massachusetts...	504003	Boston...	Boston Pneumatic Transit Co.	<i>Miles.</i> 6.662	\$113,089.14	<i>Miles.</i> 6.662	\$113,089.14
New York.....	507003	Brooklyn.	New York Pneumatic Service Co.	1.35	22,950.00	.....	.....
Do.....	507011	New York	.....do.....	26.89	457,130.00	9.8998	159,796.60
Pennsylvania...	510006	Philadel- phia.	Pneumatic Trans- sit Co.	7.85	124,950.00	6.022	102,374.00
Illinois.....	535004	Chicago..	Chicago Postal Pneumatic Tube Co.	17.563	294,470.80	7.41	125,970.00
Missouri.....	545002	St. Louis..	St. Louis Pneu- matic Tube Co.	3.47	54,821.15	1.85	31,450.00
Total.....	.....	.....	.....	68.275	1,067,411.09	31.3398	532,679.74

The appropriation for the last fiscal year was \$1,250,000. The sum expended, as reported by the auditor, was \$482,812.62, leaving an unexpended balance of \$767,187.38.

The appropriation for the current fiscal year is \$1,000,000.

The sum estimated as necessary for the fiscal year ending June 30, 1910, to meet contract obligations, is \$1,010,000, being \$10,000, or 1 per cent, more than the appropriation for the current fiscal year.

Since the last annual report tubes have been extended and service inaugurated to Stations V, A, O, E, Times Square, G, N, W, J, and L, in New York, N. Y. The tubes have been extended also from the general post-office to the new postal station in the Hudson and Manhattan Terminal building, to which the mailing division for first-class mail was moved July 1, 1908. This extension was made under an agreement with the company at the same rate per mile per annum as the original contract. These extensions cover a mileage of approximately 12.30, making a total mileage of 19.30 in operation in New York, at a cost of \$328,195.20 per annum. The general contract provides also for the connection of all the principal stations on the East Side as far north as Station L, and for the connection of Stations C, Foreign Branch, and S, and an east-and-west connection between Times Square Station and Station H. It is expected that Station H will be located in the Grand Central Station by January, 1909. When the uptown railroad terminals shall have been completed and connections made with the postal stations on each side of the city, the full measure of utility and efficiency of the service will be realized.

The installation of terminal machinery in connection with the extension of the tube lines on the west side in New York and also in Brooklyn necessitated arranging for additional space in Stations C, J, L, N, W, and Y, and for an exchange of space at Station H in New York and for additional space in Station L in Brooklyn. The increased rentals for this purpose approximate \$8,640.

Service under the contract on route No. 507003 between the general post-office and Station L in Brooklyn, N. Y., 1.35 miles, has been put in operation since June 30, 1908.

Service has been extended in Philadelphia under the contract connecting Southwark Station and Station D from November 23, 1908, an approximate distance of 1.91 miles. A favorable report has been made upon the proposed extension of tubes and service to Fairhill Station and North Philadelphia Station, but the company has not formally agreed to it.

No further extension of tube lines under contract in Chicago has been made, the contracting company claiming that the desired changes in the terms of the franchise under which it is operating have not been secured. The company has not yet restored the line between the Chicago post-office and the Northwestern Depot, but reports efforts toward that end.

The differences existing between the department and the contracting pneumatic service companies with reference to pneumatic tubes laid in New York, Chicago, and St. Louis led to the appointment of a commission for the purpose of adjusting them. The matters considered were the proper routes for acceptance between the Chicago, Ill., post-office and Northwestern Depot, between the St. Louis, Mo., post-office and the annex station at the Union Depot, questions respecting the routes to be followed in New York City by extensions of lines under the present contract, and the claims of the contracting

company for temporary service performed for it by the Illinois Tunnel Company between the Chicago post-office and Northwestern Depot. These differences were adjusted upon an equitable basis.

The act of May 27, 1908, making appropriations for the service of the Post-Office Department for the present fiscal year, contains the following provision:

And the Postmaster-General is hereby authorized and directed to investigate and report to Congress not later than January first, nineteen hundred and nine, the feasibility and desirability of the Government purchasing or installing the equipment for pneumatic tube service, and thereafter operating the same in the cities where such service is now in operation, and also ascertain and report the approximate cost of purchase and likewise of installation and the cost of maintenance and operation.

The Postmaster-General appointed a commission consisting of expert departmental and postal officials charged with the duty of making a thorough examination and a report to him upon all matters involved, in order that the information desired by Congress might be submitted. The commission has conducted an exhaustive investigation covering the properties, patents, and franchises, the original cost of the existing properties and the cost of like installation at the present time, the cost of operation, the efficiency and desirability of the service, the probable relations between the General Government and the State and municipal governments in case of governmental control, etc. A report will be made at an early day.

REGULATION, SCREEN, OR OTHER WAGON SERVICE.

Number of routes.....	309
Length of routes.....miles..	1,031.21
Annual travel.....do.....	4,454,373.08
Annual rate of expenditure.....	\$1,331,572.30
Rate of cost per mile traveled.....cents..	29.89
Rate of cost per mile of length.....	\$1,291.27
Average number of trips per week.....	41.53

Comparison with the previous year shows—

	Per cent.
Increase in number of routes.....	17, or 5.82
Increase in length of routes.....miles..	29.55, or 2.95
Increase in annual travel.....do.....	191,068.81, or 4.48
Increase in annual rate of expenditure.....	\$115,950.65, or 9.53
Increase in rate of cost per mile traveled.....cents..	1.38, or 4.84
Increase in cost per mile of length.....	\$77.67, or 6.40
Increase in average number of trips per week.....	0.61, or 1.49

The appropriation for the last fiscal year was \$1,275,000, which, with the sum of \$46,000 appropriated by the deficiency act of May 30, 1908, made the sum of \$1,321,000 available for the year. The amount reported by the auditor as expended under accounts stated to September 30, 1908, is \$1,319,017.18, leaving an unexpended balance of \$1,982.82.

The contracts for this class of service in the second contract section expired June 30, 1908, and new contracts were made for a term of four years from July 1, 1908.

The annual rate of expenditure on July 1, 1908, under the new contracts was \$99,097.92, an increase of \$27,574.92 over the annual rate on June 30, 1908, under the expiring contracts. The increase in annual travel was 40,127.94 miles. The rate of cost per mile on June

30, 1908, was 26.88 cents; on July 1, 1908, 32.66 cents, an increase of 5.48 cents, or 20.38 per cent.

The pending general advertisement invites proposals for this service in the first section, embracing the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Virginia, and West Virginia for the period from July 1, 1909, to June 30, 1913. The wagon service of this section covered, on September 30, 1908, 108 routes with an aggregate length of 435.05 miles and an annual travel of 2,236,625.19 miles, at an annual rate of expenditure of \$667,091.36, or 29.82 cents per mile. This advertisement embraces 85 routes, with an aggregate length of 478.31 miles and an annual travel of 2,445,550.82 miles, an increase of 208,925.63 miles over the present service.

The appropriation for the current fiscal year is \$1,700,000.

The annual rate of expenditure was—

July 1, 1908.....	\$1, 519, 347. 22
September 30, 1908.....	1, 527, 185. 22

The above amount of \$1,700,000 includes a sum transferred from the item for electric and cable car service, and intended to cover the cost of underground electric car service in Chicago, Ill., or a wagon service in lieu thereof. The disposition of this contract is explained under the caption "Electric and cable car service—Chicago tunnel service succeeded by screen wagon service."

The amount estimated as necessary for the fiscal year ending June 30, 1910, is \$1,705,000, being \$5,000, or 0.29 per cent, more than the appropriation for the current fiscal year.

MAIL-MESSENGER SERVICE.

Number of routes.....	7. 654
Length of routes.....miles..	5, 079. 64
Annual travel.....do.....	11, 878, 031. 92
Annual rate of expenditure.....	\$1, 459, 694. 68
Rate of cost per mile traveled.....cents..	12. 29
Rate of cost per mile of length.....	\$287. 36
Average number of trips per week.....	22. 48

Comparison with the previous year shows:

	Per cent.
Increase in number of routes.....	199 or 2. 66
Increase in length of routes.....miles..	66. 56 or 1. 32
Decrease in annual travel.....do.....	88, 320. 72 or 0. 72
Increase in annual rate of expenditure.....	\$88, 935. 62 or 6. 42
Increase in rate of cost per mile traveled.....cents..	0. 83 or 7. 24
Increase in rate of cost per mile of length.....	\$13. 93 or 5. 09
Decrease in average number of trips per week.....	0. 47 or 2. 04

The appropriation for the last fiscal year was \$1,380,000, which, with the additional sum of \$47,000 appropriated by the deficiency act of May 30, 1908, made the sum of \$1,427,000 available for this service. The sum reported by the auditor as expended under accounts stated to September, 30, 1908, is \$1,416,300.19, leaving an unexpended balance of \$10,699.81, out of which must be paid such accounts as may be unadjusted on that date.

The appropriation for the current fiscal year is \$1,560,000. The annual rate of expenditure was:

July 1, 1908.....	\$1, 459, 672. 43
Sept. 30, 1908.....	1, 481, 087. 95

The amount estimated as necessary for the fiscal year ending June 30, 1910, is \$1,630,000, being \$70,000, or 4.48 per cent more than the appropriation for the present fiscal year.

FREIGHT OR EXPRESSAGE.

The act making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1908, contains the following provision:

For pay of freight or expressage on postal cards, stamped envelopes, newspaper wrappers, and empty mail bags, two hundred and fifty thousand dollars. And the Postmaster-General shall require, when in freightable lots and whenever practicable, the withdrawal from the mails of all postal cards, stamped envelopes, newspaper wrappers, empty mail bags, furniture, equipment, and other supplies for the postal service, except postage stamps, in the respective weighing divisions of the country, immediately preceding the weighing period in said divisions, and thereafter such postal cards, stamped envelopes, newspaper wrappers, empty mail bags, furniture, equipment, and other supplies for the postal service, except postage stamps, shall be transmitted by either freight or express.

Under the appropriation of \$250,000 for 1908 the following payments have been authorized by orders issued to September 30, 1908:

On postal cards.....	\$34, 202. 43
On stamped envelopes.....	12, 400. 27
On newspaper wrappers.....	940. 00
On empty mail bags.....	164, 332. 54
Total.....	211, 891. 80

The appropriation for the current fiscal year is \$300,000. The amount estimated as necessary for the fiscal year ending June 30, 1910, is \$350,000, being \$50,000, or 16½ per cent, more than the appropriation for the current fiscal year.

SPECIAL WEIGHING OF THE MAILS OF 1907.

The act making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1908, contains the following provision:

The Postmaster-General shall cause a record to be kept from July first to December thirty-first, nineteen hundred and seven, inclusive, of the weight in pounds, respectively, of first-class, second-class, free, paid-at-the-pound rate, and transient, third-class, and fourth-class matter and all franked and penalty matter and the equipment carried in connection therewith.

For thirty days during such period he shall require a record to be kept of the weight of each of the classes above specified dispatched from such post-office as he shall determine to be representative for the purpose and have computed thereon, in the most practicable way, the average haul of the mail of the different classes and subclasses as hereinbefore set out. For seven days during such period he shall cause a record to be kept of the revenue received from each of the classes and subclasses of mail matter hereinbefore specified and a count of the number of pieces of each class and subclass, showing also for the first-class the number of letters, postal cards, and other matter separately, and for thirty consecutive days during such period he shall cause a record to be kept for the purpose of ascertaining the average load of railway post-office cars other than storage cars, the average load of storage cars, and the average load in compartment cars.

Such record shall be reported to Congress by May first, nineteen hundred and eight, and the sum of three hundred thousand dollars, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to cover the expense of such weighing and counting and the recording and compilation of the information so acquired, and the rent of necessary rooms in the city of Washington, and the same shall be immediately available.

In the last annual report the steps taken to carry out the provisions of this law were detailed. The principal weighing began July 1, 1907, and continued for six months. Other special weighings and records were required for different periods during that time. In all, nine different weighings and records were kept. These were conducted under the direct charge of the departmental committee acting under the supervision of the Second Assistant Postmaster-General. The weighings were had, records kept, and reports made satisfactorily. These reports were classified and tabulated by a force of special employees, under the direction of the committee. The computations incident to the requirements of the statute were made in the same manner.

A complete report, giving all the details and results, was prepared, and submitted by the Postmaster-General to Congress on May 1, 1908, the date fixed by the statute for such report, and was printed as Document No. 910, House of Representatives, Sixtieth Congress, first session.

Congress appropriated \$300,000 to cover the expenses, of which sum \$216,955.41 were expended, leaving a balance of \$83,044.59.

DIVISION OF CONTRACTS.

STAR SERVICE.

Service and expenditures.

Number of routes.....	14, 032
Length of routes.....miles.....	182, 286. 51
Annual travel.....do.....	94, 314, 842. 21
Annual rate of expenditure.....	\$6, 885, 476. 07½
Rate of cost per mile traveled.....cents.....	7. 28
Rate of cost per mile of length.....	\$37. 66
Average number of trips per week.....	4. 97

Comparison with the report for the previous year shows:

		Per cent.
Decrease in number of routes.....	944	or 6. 30
Decrease in length of routes.....miles.....	12, 371. 94	or 6. 35
Decrease in annual travel.....do.....	6, 646, 010. 33	or 6. 58
Decrease in annual rate of expenditure.....	\$366, 756. 35½	or 5. 07
Increase in rate of cost per mile traveled.....cents.....	0. 12	or 1. 67
Increase in rate of cost per mile of length.....	\$0. 51	or 1. 37
Decrease in average number of trips per week.....	0. 01	or 0. 20

The appropriation for the fiscal year ended June 30, 1908, was \$7,250,000. The sum expended, as reported by the auditor, was \$7,125,025.30, leaving an unexpended balance of \$124,974.70, out of which unadjusted accounts must be paid.

The appropriation for the current fiscal year is \$7,200,000.

The annual rate of expenditure was:

July 1, 1908.....	\$6, 988, 353. 41½
September 30, 1908.....	6, 917, 049. 27½

The amount estimated as necessary for the fiscal year ending June 30, 1910, is \$7,060,000, being \$140,000, or 1.94 per cent, less than the appropriation for the current fiscal year. The reduction in the amount estimated as necessary for the fiscal year 1910 is largely due to the fact that the reletting of service in the second contract section was at a cost approximately \$122,000 less than expected, mainly because of the reduction in mileage of annual travel.

Annual letting of contracts.—The contracts for the star service in the second contract section, embracing the states of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, and Kentucky, and the Island of Porto Rico, expired on June 30, 1908, and new contracts were made for this service for the four-year term from July 1, 1908, to June 30, 1912. These new contracts cover 3,183 routes, aggregating 32,901.98 miles in length and 18,469,487.92 miles of annual travel at an annual rate of expenditure of \$1,232,554.69½, an increase of \$122,877.34½.

The average rate per mile on June 30, 1908, was 5.79 cents; on July 1, 1908, 6.67 cents, an increase of 0.88 cent or 15.19 per cent. At this average rate of 6.67 cents per mile traveled, a contractor traveling 24 miles each week day would receive about \$1.60 per day, or \$501.05 per annum.

Advertisements for proposals.—The pending general advertisement invites proposals for star service in the first contract section, embracing the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia and West Virginia, for four years from July 1, 1909, to June 30, 1913. The star service in this section covered, on August 31, 1908, 3,816 routes with a length of 31,086.57 miles and an annual travel of 21,299,245.48 miles. The annual rate of expenditure was \$1,417,054.42, the rate of cost per mile being 6.65 cents.

Box delivery and collection on star routes.—The department inaugurated the policy of delivering mail into and collecting it from boxes along the lines of star routes, and an obligation requiring such service was incorporated in the new contracts as they were made from year to year covering the four contract sections. With the reletting of service from July 1, 1907, the contracts throughout the entire country provide for the box delivery and collection feature. A large number of persons have accepted the opportunity offered, especially on star routes where the frequency is six or more times a week. The service is incidental to the transportation of the mail over star routes and involves no specific increase in expenditure. These facilities supply a valuable convenience to rural residents and are appreciated.

Star service discontinued.—The star service discontinued during the year ended June 30, 1908, because of the establishment of rural delivery service, represented an annual rate of expenditure of \$259,191.72. During the preceding year it was \$418,437.50. The total length of the routes discontinued during the last year was 6,887.51 miles, as against 11,748.83 miles the year before. During the past year 758 routes were so discontinued, as against 1,311 during 1907.

Alaska.—The growing commercial importance of Alaska has demanded frequent and material changes in the postal facilities. In the winter of 1903-4 the first all-American route from Valdez via

Fairbanks to Tanana was successfully operated, with a weight limit of 200 pounds per trip each way. Subsequently the limit was increased to 800 pounds per trip, but a considerable amount of mail continued to accumulate at Valdez and Seattle for transportation to interior Alaskan post-offices. In the last report reference was made to contemplated improvements of the winter mail facilities to the interior points. Provision has been made to transport from Valdez to Fairbanks during the four midwinter months an increase in weight of mails of 48,000 pounds. The Valdez-Fairbanks route is the main route of travel to the interior of Alaska during the winter season. In connection with the increase in the weight of mail to be carried to Fairbanks, arrangements have been made for the transportation of proportionately increased weights of mails over other main lines of travel from Fairbanks, thereby affording improved service to the post-offices at Tanana, St. Michael, Nome, and those in the Cleary district and the Seward Peninsula, and certain other interior points. These improvements have been secured without additional expense to the department, by means of a rearrangement of service, found feasible owing to changed conditions. The meteorological and topographical conditions in Alaska make the winter mail service expensive and difficult; therefore there must be a limit to the weights and classes of mail carried to the interior during the winter season pending the development of improved methods of transportation.

The post-offices in the southeastern portion of Alaska can be supplied without difficulty throughout the entire year regardless of the weight of mails handled, and during the summer season practically the entire territory is supplied without restriction.

Minerals and metals in Alaskan mails.—In the last annual report attention was called to the fact that large shipments of gold dust and bullion were being made from Alaska by mail. During the year the practice has continued. Considerable difficulty has been experienced in providing mail service by steamship lines operating between Seattle, Wash., and Nome, Alaska, because steamship companies have objected to assuming the risk of handling mails containing these shipments. Contracts were made, however, for service during the summer season of 1908 at the rate of 6 cents per pound, less \$15 per trip each way to cover the handling of mails between the place of anchorage and the Nome post-office by lighters not under the contractors' control.

Steamship companies carrying these Alaskan mails have requested the exclusion of valuable minerals and metals therefrom, or exemption from liability in the event of their loss. Minerals and metals are enumerated by the postal regulations as articles which shall be admitted to the domestic mails, and it has not been the policy of the Government to exclude from the mails in any part of the United States any matter which might be admissible in other portions of the country, nor to agree to any exemption from responsibility for loss.

Porto Rico.—The island of Porto Rico is now supplied by steamer service from New York. Under a domestic contract the mails are carried between New York and Porto Rico twenty-six times a year, and a foreign mail contract includes the supply of the island as an intermediate point twenty-six times a year on the route from New York to La Guaira. The mails are also carried on return trips twenty-six times a year under domestic contract. The sailings under the two contracts are upon alternate Saturdays. Efforts have been made to pro-

vide semi-weekly mail service, but as the sailing dates of the steamship companies operating vessels between the United States and Porto Rican ports occur upon Saturdays it has not been accomplished. The growing importance of the island and the value of the interests involved are recognized and efforts will be continued to provide increased mail facilities.

Legislation.—Past reports have invited attention to the desirability of amending certain laws relating to contract mail service. The matter is again submitted for consideration.

1. The act of March 1, 1881 (21 Stat. L., ch. 96, p. 374), provides that copies of the advertisement of all general lettings of star, steamboat, and screen wagon service shall be posted in every post-office in the State or Territory included in the advertisement; therefore, in the course of four years, they must be posted in every post-office in the United States, although many of the post-offices are not interested or located on the routes advertised. The provision is as follows:

The Postmaster-General shall cause advertisements of all general mail lettings of each State and Territory to be conspicuously posted in each post-office in the State and Territory embraced in said advertisements for at least sixty days before the time of such general letting; and no other advertisement of such lettings shall be required, but this provision shall not apply to any other than general mail lettings.

It is suggested that a desirable change may be accomplished by enacting the following:

So much of the act making appropriations for the service of the Post-Office Department for the fiscal year ended June thirtieth, eighteen hundred and eighty-two, and for other purposes, approved March first, eighteen hundred and eighty-one, as relates to the advertisements of mail lettings, is hereby amended to read as follows:

"Hereafter the Postmaster-General shall cause advertisements of all general mail lettings of each State and Territory to be conspicuously posted in each post-office named in said advertisements for at least sixty days before the time of such general lettings; and no other advertisement of such lettings shall be required, but this provision shall not apply to any other than general mail lettings."

2. The act of May 4, 1882 (22 Stat. L., ch. 116, p. 54), provides as follows:

If any person shall hereafter perform any service for any contractor or subcontractor in carrying the mail, he shall, upon filing in the department his contract for such service, and satisfactory evidence of its performance thereafter, have a lien on any money due such contractor or subcontractor for such service to the amount of the same; and if such contractor or subcontractor shall fail to pay the party or parties who have performed service as aforesaid the amount due for such service within two months after the expiration of the quarter in which such service shall have been performed, the Postmaster-General may cause the amount to be paid said party or parties and charged to the contractor, provided that such payment shall not in any case exceed the rate of pay per annum of the contractor or subcontractor.

At the time the law was enacted payments were made to mail contractors quarterly. For several years past payments have been made monthly, and the department should be authorized to settle with carriers within two months after the month in which the service shall have been performed, in cases where contractors have failed to settle with their carriers. In order to accomplish this it is only necessary to substitute the word "month" for the word "quarter" in the clause "within two months after the expiration of the quarter in which the service shall have been performed."

3. The act of August 3, 1882 (22 Stat. L., ch. 379, p. 216), provides as follows:

The Postmaster-General is hereby authorized, in cases where the mail service would be thereby improved, to extend service on a mail route under contract, at not exceeding pro rata additional pay, for any distance not exceeding twenty-five miles beyond either terminal point named in said contract: *Provided*, That no service shall be extended beyond the original terminal points more than once during the term for which the contract shall have been made.

It is frequently desirable to extend a mail route beyond its termini more than once during a contract term, in order to provide supply for post-offices which may properly be served on such route. In such case, if the route has been once extended, it becomes necessary to readvertise the route, including the service desired, and this course often results in an increase in the cost over that which would result from an extension of the route with a pro rata allowance of additional pay. It is suggested, therefore, that the law be amended by the enactment of the following:

The Postmaster-General is hereby authorized, in cases where the mail service would be thereby improved, to extend service on a mail route under contract, at not exceeding pro rata additional pay: *Provided*, That the extensions beyond either terminus ordered during a contract term shall not, in the aggregate, exceed twenty-five miles.

SPECIAL OFFICE SERVICE.

The amount expended for this class of service during the year ended June 30, 1908, was \$28,828.61; during the year ended June 30, 1907, \$34,067.75.

The number of special offices on June 30, 1908, was 1,120, with an aggregate length of 12,453.90 miles and an annual travel (estimated on the basis of 2.54 trips per week) of 3,298,069.04 miles.

Comparison with the previous year shows:

	Per cent.
Increase in number of routes.....	117, or 11. 66
Decrease in length of routes.....miles..	379. 07, or 2. 95
Increase in estimated annual travel.....do.....	280, 828. 77, or 9. 28
Decrease in annual rate of expenditure.....	\$5, 239. 14, or 15. 37
Decrease in rate of cost per mile traveled.....cent..	0. 25, or 22. 32
Decrease in rate of cost per mile of length.....	\$0. 34, or 12. 83
Increase in average number of trips per week.....	0. 29, or 12. 88

Compensation for this class of service is limited by law; the Postmaster-General may allow an amount not exceeding two-thirds of the salary paid to the postmaster at such special office. Special office service is regarded as a temporary arrangement for the supply of offices not on or near established mail routes.

Expenditures for this service are chargeable to appropriations for star service.

STEAMBOAT SERVICE.

Number of routes.....	215
Length of routes.....miles..	29, 870. 82
Annual travel.....do.....	4, 977, 950. 79
Annual rate of expenditure.....	\$758, 235. 09
Rate of cost per mile traveled.....cents..	15. 23
Rate of cost per mile of length.....	25. 38
Average number of trips per week.....	1. 60

Comparison with the previous year shows:

	Per cent.
Decrease in number of routes.....	7, or 3.15
Decrease in length of routes.....miles..	6,419.28, or 17.68
Decrease in annual travel.....do.....	679,828.47, or 12.01
Decrease in annual rate of expenditure.....	\$46,502.42, or 5.77
Increase in rate of cost per mile traveled.....cents..	1.01, or 7.10
Increase in rate of cost per mile of length.....	\$3.21, or 14.47
Increase in average number of trips per week.....	0.10, or 6.67

The appropriation for the last fiscal year was \$829,000; the sum expended, as reported by the auditor on accounts stated to September 30, 1908, was \$763,333.75, leaving an unexpended balance of \$65,666.25, out of which must be paid accounts unadjusted on that date.

The contracts for steamboat service in the second contract section expired on June 30, 1908, and during the past year new contracts were entered into for a term of four years from July 1, 1908. The annual rate of expenditure on July 1, 1908, under the new contracts, was \$138,119.50, a decrease from the rate on June 30, 1908, under the old contracts of \$37,549.41, or 21.37 per cent.

The general advertisement of October 24, 1908, includes the steamboat service in the first contract section. This service embraced on July 1, 1908, 77 routes, with an aggregate length of 3,228.58 miles, and an annual travel of 1,367,985.09 miles, at an annual rate of expenditure of \$149,319.36, or 10.92 cents per mile.

The appropriation for the current fiscal year is \$800,000.

The annual rate of expenditure was:

July 1, 1908.....	\$892,580.96
September 30, 1908.....	605,400.84

The amount estimated as necessary for the fiscal year ending June 30, 1910, is \$760,000, being \$40,000, or 5 per cent, less than the appropriation for the current fiscal year.

DIVISION OF FOREIGN MAILS.

COST OF SERVICE, WEIGHTS OF MAILS, ETC.

The net cost of the transportation of foreign mails during the fiscal year ended June 30, 1908, was distributed as follows:

Trans-Atlantic service.....	\$1,555,050.32
Trans-Pacific service.....	172,967.89
Miscellaneous service.....	672,280.78
Panama Railroad service.....	55,547.17
Sea post service.....	82,986.80
Steamboat transfer service, New York.....	39,000.00
Miscellaneous items, telegrams, etc.....	8,311.31
Sea conveyance from the United States of closed mail of foreign origin.....	295,007.78
Paid to foreign countries for the intermediary maritime and extraordinary land transit of mails of United States origin, including parcel-post transit from Panama to Valparaiso.....	53,492.61
Paid for intermediary ordinary territorial transit of mails of United States origin.....	129,935.46
Expenses of United States postal agency at Shanghai.....	6,759.03
For this department's share in maintaining the International Bureau at Berne, Switzerland, including subscription to the Journal L'Union Postale and the Universal Dictionary of Post-Offices.....	1,304.59

Making the aggregate cost of the service..... 3,072,623.24

Less amounts received for the intermediary maritime transit of mails of foreign origin, including transit of British closed mails from San Francisco to the Australian colonies.....	\$141,059.78
For the intermediary land transit of mails of foreign origin.....	46,274.13
Receipts of the United States postal agency at Shanghai for postage stamps sold and postage and box rents collected.....	9,377.61
	<u>\$196,711.52</u>

Leaving the net cost of the service..... 2,875,911.72

The appropriation for foreign mail transportation for the last fiscal year was \$3,268,000; for balances due foreign countries, \$179,000, and for assistant superintendent, division of foreign mails, New York, N. Y., \$2,500.

The amounts reported by the auditor as expended from the above appropriations, under accounts stated to September 30, 1908, are: Transportation, \$2,842,179.63; balances due foreign countries, \$138,052.82, and for assistant superintendent, division of foreign mails, New York, N. Y., \$2,500.

The appropriations for the current fiscal year are: Transportation, \$3,508,862; for balances due foreign countries, \$179,000, and for assistant superintendent, division of foreign mails, New York, N. Y., \$2,500.

The amounts estimated as necessary for the fiscal year ending June 30, 1910, are:

For transportation.....	\$3,578,000
For balances due foreign countries.....	304,000
For assistant superintendent, division of foreign mails, with headquarters at New York, N. Y.....	2,500

Total..... 3,879,500

being \$189,138, or 5.12 per cent, more than the appropriation for the current fiscal year.

The weight of the mails dispatched by sea to foreign countries for the fiscal year ended June 30, 1908, was:

	Grams.	Pounds.
Letters and post cards	1,011,858,596	2,231,147
Other articles	5,653,797,691	12,466,612
Total.....		14,697,759

Of the foregoing, the mails for trans-Atlantic destinations comprised—

	Grams.	Pounds.	Per cent.
Letters and post cards.....	869,722,909	1,917,789	85.95
Other articles	3,502,789,080	7,723,639	61.96

Steamers flying the flag of the United States, but not under contract, are allowed for the conveyance of the mails the full postage collected on the mails conveyed, estimated to be at present 80 cents

per pound for letters and post cards and 8 cents per pound for other articles; and steamers under a foreign flag are at present allowed 4 francs per kilogram (about 35 cents per pound) for letters and post cards and 50 centimes per kilogram (about 4½ cents per pound) for other articles, calculated on the basis of the actual net weights of the mails conveyed. For the conveyance of foreign closed mails the conveying steamers, whether under the United States or a foreign flag, are compensated at the rate of 4 francs per kilogram for letters and post cards and 50 centimes per kilogram for other articles.

Statement A of Table D appended hereto shows in detail the weights of the mails conveyed and the amount of compensation received by each of the different lines of steamers, as well as by the steamers of United States and of foreign register; Statement B of Table D shows the weights of foreign closed mails forwarded from the United States by the different lines of steamers and the compensation paid to each line for the conveyance of said closed mails.

The cost of the service for the year was \$2,875,911.72, and the estimated cost of the service for the year ending June 30, 1910, is \$3,879,500.

Based upon a count made at United States exchange post-offices during seven days in October, 1907, and a like number of days in April, 1908, it is estimated that the number of articles exchanged with all foreign countries (including Canada and Mexico, by land and sea) during the year ended June 30, 1908, was 308,001,320 pieces sent and 250,122,981 pieces received, and that the amount collected by the United States as postage on said articles was \$8,585,564.24.

CONTRACT OCEAN MAIL SERVICE.

During the year there have been eight contracts in force for the performance of ocean mail service under the provisions of the act of March 3, 1891. The total annual cost of the contract service was \$1,185,148.26, an excess of \$626,261.04 over the maximum amount allowable at the present rates to steamers not under contract.

Service on route No. 75 "O. M. S.," from San Francisco, Cal., to Sydney, New South Wales, was suspended in March, 1907, and has not been resumed. Since August, 1907, the Australian Mail Line has been conveying mails for Australasia by means of its steamers sailing from San Francisco once every four weeks, alternating with the steamers of the Canadian Line sailing once every four weeks from Vancouver, British Columbia. The sailings of these two lines occur at such times as to enable the dispatch of mails for Australasia every two weeks. Compensation for the service of the Australian Mail Line is based upon the net weights of the mails dispatched.

The advertisement of June 28, 1907, for Contract Ocean Mail Service resulted in a contract being awarded to the previous contractors, the New York and Cuba Mail Steamship Company, for service on route No. 70, "O. M. S.," New York to Habana, for a period of five years, commencing on November 1, 1907; and in a contract being awarded to the previous contractors, the American Mail Steamship Company, for service on route No. 74, "O. M. S.," from Boston and Philadelphia to Port Antonio, Jamaica, for a period of ten years, commencing on July 1, 1908.

TRANS-ATLANTIC MAILS.

As heretofore the mails for Great Britain and the Continent of Europe have been dispatched by the fast steamers of the several lines. When two fast steamers sail on the same day or succeeding days, the mails have been assigned, as a rule, to the vessel whose previous record indicated the probable earlier delivery of the mails at destination. The practice has been continued, however, of giving preference to steamers sailing under the flag of the United States, and particularly to those steamers which are under regular contract with the department to carry the mails from New York to Southampton.

TRANS-PACIFIC MAILS.

The mails for trans-Pacific destinations have been dispatched with the usual frequency and regularity, as have those for Australia, with the exception noted above. It is regretted that the fast service from San Francisco to Sydney, via Honolulu, Pago Pago, and Auckland (route No. 75 "O. M. S.") has not been resumed.

CENTRAL AND SOUTH AMERICAN AND WEST INDIAN MAILS.

The service to Central and South America and the West Indies has been frequent and reasonably regular. No material changes have occurred during the year.

The service to Brazil and the River Plata countries is frequent, but not regular, the steamers, as a rule, seldom sailing on the dates originally announced. A service on fixed dates and at regular intervals would be a vast improvement of our mail facilities to those important countries.

SEA POST-OFFICES.

International sea post service has been in operation continuously during the year on the fast steamers of the American, Hamburg-American, North German Lloyd, and White Star Lines between the United States and England and Germany, 167 trips having been made from New York and 179 trips from Europe, during which there were distributed 60,107,300 ordinary and 599,896 registered articles in addition to 48,663 sacks of newspapers, etc. In the distribution of 38,751,743 letters and post cards only 230 errors were reported.

Negotiations are still pending for the establishment of international sea post service on the fast steamers of the Cunard and French lines plying between New York and England and France, respectively, and it is hoped that it will be extended to these lines at an early day.

INTERNATIONAL PARCEL-POST.

Since the last annual report additional parcel-post conventions have been negotiated with the Netherlands, effective July 1, 1908; Uruguay, effective July 1, 1908; Italy, effective August 1, 1908; France, effective August 15, 1908; and with Austria, effective January 1, 1909; and the parcel-post rate of 20 cents a pound to Bolivia, Chile, Ecuador, and Peru, has been reduced to 12 cents a pound,

the parcel-post rate to all the 36 countries and colonies with which the department has concluded such conventions.

The weight of the parcel-post mails dispatched from the United States during the year was 968,513 pounds; an increase over the previous year of 92,167 pounds or 10.50 per cent. The number of parcels dispatched was 350,484, of an average weight of about 2½ pounds per parcel. The weight of the parcel-post mails received was 584,667 pounds and consisted of 200,660 parcels, the average weight of the parcels being about 2½ pounds. Of the total weight of 968,513 pounds dispatched, 211,199 pounds were for Europe and consisted of 161,117 parcels, and of the total weight of 584,667 pounds received 435,162 pounds were from Europe and consisted of 145,123 parcels.

The parcel-post affords the only means, other than by the payment of letter postage, for the exchange of packages of miscellaneous merchandise by mail between different countries. It gives to persons in different countries substantially the same facilities for the exchange of small parcels as is afforded in our domestic postal service by the provision for the admission to the mails of "fourth-class matter." Its extension to all countries with which we have direct mail communication is desirable.

UNIVERSAL POSTAL UNION.

The Empire of Ethiopia entered the Universal Postal Union during the year.

On the 1st of October, 1907, the Universal Postal Convention of Rome became operative, superseding the Universal Postal Convention of Washington, and our Postal Union rate for letters became 5 cents for the first ounce or fraction thereof and 3 cents for each additional ounce or fraction thereof; and the provisions of the convention in regard to an indemnity of 50 francs (\$10) for the loss of a registered article and also in regard to international reply coupons became operative in so far as the United States service is concerned. The reply coupons are sold in this country for 6 cents each, and are exchangeable in countries which have agreed to their use for a postage stamp or stamps of the country to which they are sent of the value of 25 centimes (5 cents), thus enabling the prepayment of postage on a reply to a letter sent to a foreign country. Heretofore this has been difficult of accomplishment, as prepayment of postage on letters in the Postal Union mails can be made only by postage stamps of the country in which letters are mailed. The facilities thus afforded are much appreciated.

Negotiations commenced during the year resulted in the conclusion of an arrangement with Great Britain, effective October 1, 1908, reducing to 2 cents per ounce the rate of postage applicable to letters in the mails exchanged between the United States and the United Kingdom of Great Britain and Ireland; a consummation of far-reaching importance in the further development of closer relations, social and commercial, between the two countries.

NEW YORK HARBOR TRANSFER SERVICE.

The contract for the transfer of the mails from the steamers arriving from Europe at quarantine station by a special mail boat, to the various wharves, whence the mails for New York City are immedi-

ately sent to the New York post-office and those for other places are forwarded to destination at the earliest opportunity practicable, will expire on the 30th of June, 1909. The facilities are not adequate on all occasions for the present needs of the service and better ones must be provided. Two mail boats will be necessary and will enable the department to provide not only for the increasing volume of trans-Atlantic mails, but also for the transfer of mails arriving by steamers of the Red "D," New York and Cuba, New York and Porto Rico, Panama Railroad and Steamship Company, Lamport & Holt, and such other steamship lines as may be established. The estimate submitted for the appropriation necessary to provide for this service for the new term is based upon the conditions indicated here.

DIVISION OF RAILWAY MAIL SERVICE.

OPERATION.

Extent of service and force employed.—On June 30, 1908, there were 167 full railway post-office lines, manned by 2,557 crews, aggregating 8,988 clerks (including 60 acting clerks); 1,334 apartment railway post-office lines, manned by 3,763 crews, aggregating 4,812 clerks (including 62 acting clerks); 20 electric-car lines, with 18 crews and 20 clerks; 54 steamboat lines, with 101 crews and 108 clerks (including 18 acting clerks); making a total of 1,575 lines of all kinds, manned by 13,928 clerks. There were 46 officials, 116 chief clerks, 752 transfer clerks employed in handling mails at important junction points, and 453 clerks detailed to clerical duty in the various offices of the service. The total number of officers and employees was therefore 15,295, an increase during the year of 938.

The following table shows the miles of railroad covered by full-car railway post-offices, apartment railway post-offices, electric and cable cars, and steamboat lines upon which railway postal clerks are employed, also the miles of railroad, electric, and steamboat lines covered by closed-pouch service, and the mileage of closed-pouch service on express trains upon lines upon which there is railway post-office service on other trains, during the last fiscal year:

Character of service.	Length of lines.	Per cent of increase.	Annual miles of service.	Per cent of increase.
<i>Railway post-office service.</i>				
On full-car lines	56,169.86	3.75	126,563,469	0.7
On apartment-car lines	133,413.97	2.45	159,187,973	1.32
On electric-car lines	584.70	a 4.34	596,718	a 30.87
On steamboat lines	18,363.33	5.81	2,621,034	a 8.77
Total	208,481.86	3.06	288,880,194	.86
<i>Closed-pouch service.</i>				
On railroads	23,631.90	3.39	27,247,424	2.78
On electric lines	5,941.97	11.14	8,685,172	6.82
On steamboat lines	11,507.49	a 39.22	2,456,916	a 9.14
On express trains			94,730,173	5.85
Total	41,081.36	a 12.34	133,169,685	4.78
Grand total	249,563.22	.06	422,058,879	2.06

a Decrease.

Equipment.—Railway post-office car equipment has been kept in good repair and all the new equipment is first class. The building of new cars and the replacement of cars of the older pattern by steel cars or cars of improved construction begun by some railway companies has been retarded during the year; however, some steel cars have been placed in service. The department has not relaxed its efforts to improve the general character of the equipment. The following table shows the equipment in operation on June 30, 1908:

Number of cars and apartments.

On railroad lines:	
Whole cars in use.....	1,080
Whole cars in reserve.....	262
Apartment cars in use.....	2,980
Apartment cars in reserve.....	588
	4,910
On electric and cable lines:	
Cars in use.....	22
On steamboat lines:	
Apartment cars in use.....	108
	108
Grand total.....	5,035

Distribution.—It is estimated that there were 11,913,509,120 distributions and redistributions of pieces of first-class matter, 9,737,340,625 distributions and redistributions of pieces of second, third, and fourth class matter, making a total of 21,650,849,745 distributions and redistributions, exclusive of registered matter, by railway postal clerks during the year. Of registered matter there were handled 57,416,565 packages and cases, through-registered pouches, inner registered sacks, and registered package jackets. The number of registered pouches and inner registered sacks made up by railway postal clerks increased over 64 per cent, indicating increased direct exchanges from one railway post-office line to another, thus expediting delivery of this class of mail.

During the year there were 1,970,426 errors in distribution reported, as against 1,652,409 for the preceding year. The increase in the number of errors is accounted for partly by the increase in the amount of mail handled, but more largely, it is believed, by the great number of changes in train schedules, which have affected the schemes of distribution.

Illegible addresses.—The number of pieces of mail matter so illegibly addressed as to require special attention before delivery could be effected, or which could not be delivered at all, was 35,565,361, an increase of 2,026,789 over the previous year. Of the above number of pieces handled, 18,988,626 were returned to senders or corrected and forwarded to destinations, and the balance were sent to the dead letter division or otherwise disposed of in accordance with the regulations.

Case examinations.—There were 37,174 examinations of permanent railway postal clerks, at which 34,889,799 cards were handled, of which 98.60 per cent were distributed correctly. Probationary clerks passed 2,261 examinations, handling 2,056,153 cards, with a percentage of 96.78 correct.

Casualties.—There were 405 railroad accidents during the year in which postal clerks were either killed or injured or in which mail

matter was lost or damaged. Four clerks and 2 substitutes were killed, 104 seriously and 536 slightly injured.

The number of clerks killed while on duty during the past year is less than the number killed in any one of the past eight years. The number of clerks seriously injured, however, is greater than in preceding years, except in 1905 and 1907, in each of which years there were 125 clerks seriously injured, as against 104 for the past year. The number of clerks slightly injured is greater than for any preceding year, except the year 1907, when there were 662 injured.

Establishment of twelfth division.—The act making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1909, contains the following provision, viz:

That the Postmaster-General be, and he is hereby, authorized to create an additional division of the Railway Mail Service with headquarters at New Orleans, Louisiana, and to assign to duty one division superintendent, in addition to those heretofore appointed, and who shall be paid a salary of three thousand dollars per annum; and one additional assistant division superintendent at two thousand dollars per annum, and to defray the expenses of said headquarters the sum of twenty thousand dollars is hereby appropriated.

Accordingly a new division, to be known as the "twelfth division," Railway Mail Service, with headquarters at New Orleans, La., has been established, comprising the States of Mississippi and Louisiana and such additional railway post-office lines as may hereafter be assigned to it.

Estimates and expenditures.—The expenditure on account of officers, clerks, and other items of the Railway Mail Service during the fiscal year ended June 30, 1908, as reported by the auditor under accounts to September 30, 1908, was \$17,373,336.92. The appropriation, including the sum of \$400, added by the deficiency act of May 30, 1908, was \$17,749,843. The unexpended balance on September 30, 1908, was \$376,506.08. These figures do not include railroad transportation or railway post-office cars.

The number of officials and clerks was 15,295.

Compared with the previous year there was an increase of 938, or 6.53 per cent, in the number of officials and clerks, and of \$2,230,903.29, or 14.63 per cent, in the annual rate of expenditure for all purposes. The unusual increase in expenditure was due to the general advance in salaries of railway postal clerks allowed by the Congress, effective July 1, 1907.

The appropriation for the current fiscal year is \$18,936,000. This does not include the salaries of the general superintendent, assistant general superintendent, chief clerk office of general superintendent, assistant chief clerk office of general superintendent, five clerks of class 3, six clerks of class 2, five clerks of class 1, three clerks at \$1,000 each, two clerks at \$900 each, provided for in the legislative, executive, and judicial appropriation bill.

The estimate submitted for the fiscal year ending June 30, 1910, is as follows:

Division superintendents, at \$3,000 per annum each.....	12
Assistant division superintendents, at \$2,000 per annum each.....	12
Assistant superintendents, at \$2,000 per annum each.....	5
Assistant superintendents, at \$1,800 per annum each.....	19
Chief clerks, at \$1,800 per annum each.....	136
Clerks, class 6, at not exceeding \$1,600 per annum each.....	236
Clerks, class 5, at not exceeding \$1,500 per annum each.....	1,411

Clerks, class 5, at not exceeding \$1,400 per annum each	583
Clerks, class 4, at not exceeding \$1,300 per annum each	2,284
Clerks, class 4, at not exceeding \$1,200 per annum each	2,479
Clerks, class 3, at not exceeding \$1,100 per annum each	6,285
Clerks, class 2, at not exceeding \$1,000 per annum each	2,641
Clerks, class 1, at not exceeding \$900 per annum each	600
Clerks, class 1, at not exceeding \$800 per annum each	600

For temporary clerk hire in classes one and two for emergency service, fifty-five thousand dollars.

For substitutes for clerks on vacation, fifty-five thousand dollars: *Provided*, That the Postmaster-General may hereafter allow railway postal clerks whose duties require them to work six days or more per week, fifty-two weeks per year, an annual vacation of fifteen days with pay.

For acting clerks, in place of clerks or substitutes injured while on duty, and to enable the Postmaster-General to pay the sum of one thousand dollars, which shall be exempt from payment of debts of the deceased, to the legal representatives of any railway postal clerk or substitute railway postal clerk who shall be killed while on duty, or who, being injured while on duty, shall die within one year thereafter as the result of such injury, one hundred thousand dollars.

For actual and necessary expenses of division superintendents, assistant division superintendents, and chief clerks, railway mail service, and railway postal clerks, while actually traveling on business of the Post-Office Department and away from their several designated headquarters, twenty-three thousand dollars.

For rent, light, fuel, telegraph, and miscellaneous office expenses, schedules of mail trains, telephone service, and badges for railway postal clerks, sixty-nine thousand dollars.

For per diem allowance of assistant superintendents while actually traveling on official business away from their homes, their official domicile, and their headquarters, at a rate to be fixed by the Postmaster-General, not to exceed four dollars per day, thirty-three thousand six hundred dollars, out of which sum may be expended not exceeding three thousand six hundred dollars for their necessary official expenses not covered by their per diem allowance, making a total of nineteen million eight hundred and ninety-nine thousand six hundred dollars, being nine hundred and sixty-three thousand six hundred dollars, or five and eight one-hundredths per centum more than the appropriation for the current fiscal year.

SECOND-CLASS MATTER.

Separation by publishers.—Last year 694,865,884 pounds of paid second-class mail matter were received from publishers, a decrease compared with the previous year of 18,079,292 pounds. During the past few years the work of inducing publishers to make separations of their publications before mailing, so as to facilitate the handling and expedite the delivery, has resulted in such improvement in this respect that the per cent of unseparated or mixed matter is now quite small. The increase in sacks fully made up during the last year was 1.1 per cent over the number for the preceding year. In 1908 the per cent of mixed second-class matter reported by the large post-offices was 7.1, as against 29.7 in 1896. At 173 of the largest post-offices 7,303 publishers delivered 1,342,375 sacks of second-class matter during the month of June, 1908, of which 77.3 per cent were fully made up by them and were dispatched intact. Over 15 per cent additional were partly made up, and only 7.1 per cent were mixed, i. e., received without any separations by States, cities, or routes.

The first statistics secured in New York City as to the condition of second-class matter received from publishers was in September, 1895, when the "mixed" mail was found to be 38 per cent of the whole; during the year 1908 it was but 5.1 per cent. During the last

year the New York post-office received 2,105,273 sacks of mail "fully made up," or an average of 6,926 sacks for each working-day. All of this mail was dispatched intact. The New York office also received 854,039 sacks "partly made up" and 188,749 sacks of "mixed," making a total of 3,148,061 sacks.

Direct delivery of second-class mail to depots by publishers.—The plan of transporting second-class matter direct from publication houses in New York City to the various railroad stations without passing through the post-office has been extended during the past year. In the month of June a total of 1,321,362 pounds was weighed at the publication houses by representatives of the postmaster, and dispatched direct to the railroad stations. This comprises about 12 per cent of the total weight of second-class matter mailed during that month, and was in addition to the daily papers, a large proportion of the weights of which is similarly handled.

RELIEF MEASURES.

Absence on account of injury.—Under the law, the department is permitted to pay to the legal representatives of a clerk killed while in the performance of duty the sum of \$1,000, and to grant to an injured clerk leave of absence, with pay, not exceeding one year, during the period of disability. It frequently happens, however, that a clerk is so seriously injured that he is not able to return to duty at the expiration of one year. In the last annual report recommendation was made that the Postmaster-General be authorized in such cases to grant to the clerk further leave, with pay, equal to 50 per cent of the regular salary, such extension of leave not to exceed twelve additional months. I renew the recommendation.

Leave of absence.—It has heretofore been recommended that the Postmaster-General be authorized, under such regulations as he may provide, to allow railway postal clerks leave of absence, with pay, for a period not exceeding thirty days, and in cases of sickness thirty additional days, in any one year, with the understanding that their duties shall be performed without expense to the Government during the period for which the leaves are granted, the clerks to provide substitutes at their own expense to perform such duties. This is intended to be additional to the leave with pay now authorized. I renew the recommendation.

Traveling expenses of railway postal clerks.—In the last annual report attention was called to the claims of clerks for an allowance for traveling expenses while away from their homes and the initial terminals of their runs and in the discharge of their duties. I recommend favorable consideration and appropriate legislation.

Superannuation.—Recommendation has been submitted from time to time that suitable provision be made for the retirement of railway postal clerks who have become unfit for active service by reason of advanced age or physical disability. Unless general legislation is enacted to provide for superannuated employees in all branches of the government service, special provision should be made for the Railway Mail Service. This service is hazardous and exacting and requires the employment of able young men to sustain its efficiency, and those who have spent the best part of their energies and years in faithful

service of this character are entitled to consideration when old age or disability comes.

REORGANIZATION.

The extension of the Railway Mail Service and the increase in the force required to handle the mails has correspondingly increased the administrative requirements. Such changes warrant a readjustment of salary grades of the assistant division superintendents, assistant superintendents, chief clerks, assistant chief clerks, and clerks on duty on certain apartment-car lines. The changed conditions devolve upon the assistant division superintendents, assistant superintendents, and chief clerks largely increased responsibilities. Chief clerks who formerly had supervision of from five to ten lines with 30, 40, or 50 clerks now have supervision over twenty to thirty lines, with 200 or 300 clerks, thus imposing upon them more details of administration. The subject is receiving careful consideration.

PROPOSED NEW DIVISION.

The rapid growth of the section of country embraced in the States of Oregon, Washington, and Idaho and the Territory of Alaska renders it advisable to create a new division of Railway Mail Service in that section. The service in the section named is now under the immediate supervision of the division superintendent at San Francisco, Cal., who, under present schedules, in time of transit, is thirty-five hours from Portland, fifty-one hours from Spokane, and forty-three hours from Seattle. Suitable legislative authority is required before action can be taken, and I recommend that it be secured.

IMPROVEMENTS.

In the last annual report mention was made of the curtailment of railway mail facilities on account of reduction in train service in connection with which the department had developed a highly satisfactory mail service. In many cases the train service reduced was of a most important character, and such reduction resulted in the discontinuance of well-established trunk line mail routes, some of the class designated "fast mail." Notwithstanding this the efficiency of the mail service has been well maintained, and but few complaints growing out of this feature have been made by the patrons of the service. It is believed that they recognize the satisfactory character of service based upon reasonable speed of trains insuring approximate maintenance of train schedules.

During the fiscal year the Railway Mail Service has been improved by the addition of more than 32,000 miles of railway post-office lines. Upon 12,000 miles full postal-car service superseded service performed in apartment cars; upon 5,000 or more miles additional apartment-car space was provided on full postal-car routes, and upon over 14,000 miles apartment-car service superseded closed-pouch service. The changes in the service affected 54,000 miles, and of this entire amount there was a net betterment of over 9,000 miles of new and improved service.

During the fiscal year there has been a curtailment in the operation of railway post-office cars amounting to 10,500 route-miles of

service. This was the result of changes in train schedules and a readjustment of authorized car space to the actual needs of the mail service. These changes have not curtailed facilities necessary for the distribution of mails en route.

The fast-mail service operated over the several trunk-line systems of railroads continues in a fairly satisfactory condition. Notwithstanding the general curtailment of train service, the railroad companies have continued to supply a reasonable number of fast trains by which a fast mail has been provided.

Commencing with the sailing of the Panama Railroad and Steamship Company's steamer *Colon* on October 31, 1907, from New York, N. Y., mail service was established on the steamers of this company, to be operated as the New York and Canal Zone railway post-office. The clerks assigned to this line perform service on all of the steamers between New York and Colon, handling in transit all mails to and from New York, N. Y., and post-offices in the Canal Zone. This service expedites the delivery of mails, as northbound mails need not pass through the New York post-office, but upon arrival are dispatched directly to destination, and southbound mails are made up for each of the 18 post-offices in the Canal Zone for immediate dispatch to destination upon arrival at Colon.

This is considered an important addition to the mail-service system, because of the increasing volume of correspondence, both commercial and social, between the States and the Canal Zone. It has also been found practicable to further utilize the new railway post-office for the handling and distribution of certain mails for the South and Central Americas. Closed mails from South and Central American Republics destined for New York, N. Y., carried by other steamers, are delivered to this railway post-office when connection can be made therewith at some common port of call, and opened and distributed in the railway post-office and made up in such manner as to advance their delivery at destination.

DIVISION OF INSPECTION.

Regular reports at frequent intervals are received from postmasters and other employees along the routes over which the mails are carried in order that contracts may be enforced. Deductions are made for failures to perform service and fines imposed for delinquencies, with a view to preventing a recurrence and securing greater efficiency in the handling of mails.

The following statement shows the amounts of deductions and fines and remissions:

Gross amount of deductions and fines from the pay of postal contractors and others by orders issued during the fiscal year ended June 30, 1908.....	\$1, 045, 062. 06
Amount of remissions on deductions on account of satisfactory explanations.....	\$262, 998. 50
Amount of remissions on fines.....	6, 608. 76
	<hr/> 269, 607. 26
Net amount of deductions and fines under orders issued during the fiscal year ended June 30, 1908.....	775, 454. 80

The above amounts are classified as follows:

Service.	Deductions and fines.	Remissions.	Net deductions and fines.
Star	\$53,055.41	\$5,270.00	\$47,785.41
Steamboat.....	22,324.14	417.32	22,406.82
Railroad transportation.....	930,011.17	259,922.13	670,089.04
Railway post-office car.....	8,351.64	3,281.85	5,079.79
Mail messenger.....	1,265.86	10.14	1,255.72
Electric and cable car.....	4,983.38	100.58	4,882.25
Wagon.....	4,634.67	196.25	4,438.42
Railway mail.....	6,422.60	70.82	6,351.78
Pneumatic-tube.....	10,828.68	338.17	10,490.46
Special facilities.....	2,671.11	.....	2,671.11
Total.....	1,045,082.06	269,607.26	775,454.80

* Deductions subsequently remitted were largely due to delay on the part of railroad companies in furnishing satisfactory excuse for delays to mail trains.

It is expected that during the year the department will be able to make arrangements for payments monthly instead of quarterly for the transportation of mails by railroad and electric-car companies. The payments for various other classes of mail transportation service are now being made monthly, and it is believed that the change contemplated will be in the interest of good administration.

DIVISION OF EQUIPMENT.

OPERATION AND EXPENDITURES.

The appropriation for mail bags, with their appurtenances, and for the repair of the same, for the fiscal year ended June 30, 1908, was \$450,000. Under the urgent deficiency act of February 15, 1908, \$2,500 was transferred to the appropriation for mail locks and keys. The sum of \$6.73 was transferred from the appropriation for "Supplies" for material and labor furnished other departments, thus making the amount available \$447,506.73. The amount expended was \$445,029.35, leaving an unexpended balance of \$2,477.38.

The appropriation for mail locks, keys, etc., including the repair of same, was \$45,000, which, with the sum of \$2,500 transferred by the urgent deficiency act from the appropriation for mail bags, etc., as above recited, and the further sum of \$409.31 transferred from other appropriations for labor and material furnished other departments, makes a total of \$47,909.31. The amount expended was \$45,205.41, leaving an unexpended balance of \$2,703.90. The amount transferred to the appropriation for mail locks and keys was intended for the purchase of certain materials, but the money did not become available until late in the fiscal year 1908, and the manufacture of the equipment was deferred, as it was learned that the materials could be purchased at a saving of nearly 37½ per cent in cost if secured under the new contract.

The appropriations for the current fiscal year for items under the division of equipment were as follows:

For mail bags, etc.....	\$500,000
For mail locks, keys, etc.....	45,000
For subworkshop at Chicago, Ill.....	5,000
Total.....	550,000

The withdrawal of empty equipment from the mails and its transportation by freight, a much slower method, necessitated providing an increase in the stock, because large quantities of sacks must be assembled at important distributing points to meet the emergencies of the service. The increase in the appropriation for 1909 over that for 1908 has enabled the purchase of this necessary additional equipment.

The amounts estimated as necessary for the fiscal year ending June 30, 1910, are:

For mail bags, etc.....	\$420, 000
For mail locks, keys, etc.....	45, 000
For subworkshop at Chicago, Ill.....	3, 500
Total.....	468, 500

being \$81,500, or 17.84 per cent, less than the appropriation for the current fiscal year.

MAIL-BAG REPAIR SHOP.

During the fiscal year ended June 30, 1908, the department purchased and placed in service 338,848 pouches and sacks, being 27,011 more than during the previous fiscal year. The mail-bag repair shop repaired 1,360,299 pouches and sacks, and 99,462 were condemned as unfit for further use. It handled 7,119,966 incoming and outgoing pouches and sacks. There were 301,635 pieces of equipment issued from the Washington storehouse to the executive departments and offices in Washington.

Number of mail bags in use.—The estimated number of mail pouches and sacks in use and in reserve in the postal service on June 30, 1908, was 2,238,891, an increase of 246,608 over the number in the service on the corresponding date of the previous fiscal year.

Subrepair shop.—The act making appropriations for the service of the Post-Office Department for the fiscal year 1909 appropriated the sum of \$5,000 for rent, light, fuel, electric power, and incidental expenses pertaining to the maintenance of a subrepair shop at Chicago, Ill., for the repair of mail bags. Its establishment has been deferred pending consideration of relevant matters, which will be soon determined. It is estimated that the sum of \$3,500 will be necessary for the maintenance and operation of the shop during the fiscal year 1910.

Improvements.—For a number of years effort has been made to reduce the weight of mail equipment. On February 18, 1908, the department issued specifications inviting proposals for granting the use of patented improvements in mail pouch and sack opening and closing devices. None of the devices submitted fully answered the postal requirements or were superior in any respect to equipment now in use. A pouch designed and manufactured in the equipment division has favorable features, and it is being given a practical test in actual use.

MAIL-LOCK REPAIR SHOP.

During the past fiscal year there were 203,036 Eagle locks and 14,371 registry locks handled at the mail-lock repair shop. The high standard of the workmanship of the shop has been maintained,

and its output as to quantities has been satisfactory. During the year the operations of the shop were as follows:

Article.	Manufactured.	Repaired.	Inspected.
Eagle locks.....	33,150	80,550	139,836
Letter-box padlocks (old style).....	1,852	9,374	
Inside letter-box locks (old style).....		2,708	
Inside letter-box locks (Arrow).....	3,458		
Rotary registered locks.....	3,842		
Blue rotary registered locks (for Railway Mail Service).....	3,200		
Mail keys of various kinds and combinations.....	12,862		
Mail-bag cord fastener.....	225,000		
Cord clamps.....	981,260		
Label cases.....	98,360		
Staples..... pounds.....	2,735		
Burrs..... do.....	993		
Double burrs..... do.....	1,719		
Cockeyes..... do.....	139		
Rivets..... do.....	728		
Mail-pouch clips.....	7,040		
Fasteners for soft-head pouches.....	31,753		
Grommets.....	190,100		
Railway Mail Service badges.....		471	
Key chains.....		3,150	

During the fiscal year considerable work was done on behalf of the Canal Zone, Porto Rican, Hawaiian, and Philippine Island mail services.

It is estimated that on June 30, 1907, there were 762,175 Eagle mail locks in the service. During the year 33,150 were placed in use. It is estimated that the number in use and in reserve on June 30, 1908, was 795,325.

WASTE MATERIAL FROM EQUIPMENT SHOPS.

Waste material, consisting of scrap leather, cotton-duck scraps, iron and steel, phosphor bronze, etc., accumulating in the equipment shops during the fiscal year and which could not be used for any other purpose in the manufacture or repair of equipment, was disposed of under contract. The proceeds from the sales of this unserviceable material amounted to \$13,276.86, which sum was covered into the Treasury as directed by law. The plan of selling this scrap material was inaugurated in 1897, and from that date to June 30, 1908, the sum of \$97,902.18 has been turned into the Treasury on this account.

STORAGE OF MAIL EQUIPMENT.

The volume of mail transported during the Christmas holiday season renders it necessary to maintain a large surplus of mail equipment in storage during a part of the year. The storage facilities at post-offices are limited, thus rendering it difficult to care for the equipment when out of use. During the past fiscal year temporary arrangements have been made for the storage of mail bags at Rochester, N. Y., and Indianapolis, Ind. The post-office at Boston, Mass., is the mail-bag depository for the New England States and should have facilities for storing 50,000 sacks for distribution in that territory. At present its facilities are much less, and it is hoped that arrangements may be made in the near future for increasing them.

LEAVE OF ABSENCE FOR EMPLOYEES IN THE EQUIPMENT SHOPS.

The act of October 1, 1890 (26 Stat. L., ch. 1260, p. 648), authorizes the granting of leave of absence to clerks and employees in first and second-class post-offices, and to employees of the Post-Office Department equipment shops, "for not exceeding fifteen days in any one fiscal year." This leave of absence includes Sundays and holidays. There are 179 persons employed in the mail-lock and mail-bag repair shops, performing service eight hours daily except Sundays and holidays. I recommend that legislative authority be secured for allowing these employees not exceeding thirty days' leave in any one fiscal year.

RECOMMENDATIONS.

SUMMARY.

First. That authority of law be secured for the rental of quarters in Washington, D. C., for conducting the tabulations in connection with the weighings of the mails for readjusting compensation for service on railroads.

Second. That authority of law be secured enabling the readjustment of compensation for railroad mail service during the term, when the diversions made materially affect the average daily weights.

Third. That Congress be asked to make suitable appropriation for completing the arrangement and tabulation of data relating to the operating, receipts and expenditures of railroad companies transporting the mails, to be furnished as provided for by the act of March 3, 1879, chapter 180, section 6, including the rental of suitable quarters in Washington, D. C.

Fourth. That the act of Congress making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1882, and approved March 1, 1881, be amended as set forth under the caption entitled "Legislation."

Fifth. That the act of Congress making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1883, and approved May 4, 1882, be amended as set forth under the caption entitled "Legislation."

Sixth. That the act of Congress making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1883, and approved August 3, 1882, be amended as set forth under the caption entitled "Legislation."

Seventh. That authority of law be secured for granting further leave, with pay at 50 per cent of his regular compensation during period of disability, not exceeding twelve additional months, to a railway postal clerk who is so seriously injured as not to be able to resume duty at the expiration of twelve months.

Eighth. That authority of law be secured for granting railway postal clerks thirty days' leave with pay each year, without expense to the department, and in case of sickness sixty days such leave.

Ninth. That Congress provide for payment of traveling expenses of railway postal clerks while away from their homes and the initial terminals of their runs and in the discharge of their duties.

Tenth. That Congress be requested to give consideration to the question of providing for the retirement of railway postal clerks incapacitated for further duty by reason of advanced age or physical disability.

Eleventh. That authority of law be secured authorizing the establishment of a new division of Railway Mail Service to embrace the States of Oregon, Washington, and Idaho, and the Territory of Alaska.

Twelfth. That authority of law be secured for granting not exceeding thirty days' leave in any one fiscal year to employees of the mail-lock and mail-bag repair shops.

Very respectfully,

JOSEPH STEWART,

Second Assistant Postmaster-General.

Hon. GEORGE V. L. MEYER,

Postmaster-General.

TABLES APPENDED.

- A. Mail service in operation, by States and classes.
- B. Readjustment of railroad pay in one section, based on weights taken in the last fiscal year.
- C. Table of railroad service from 1836 to 1908.
- D. Table of weights of foreign mails, etc.
- E. Expenditure on account of mail bags, etc.
- F. Expenditure on account of mail locks, keys, etc.
- G. Mail bags in service.



A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908.

TOTAL SERVICE.

[The entire service on each route is included in the amount opposite the State or Territory under which the route is numbered, though the route may extend into other States or Territories.]

State or Territory.	Total number of routes.	Total length of routes.	Total distance traveled per annum.	Total annual rate of expenditure.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>
Maine.....	580	5,771.70	6,195,411.92	844,421.15
New Hampshire.....	272	2,260.60	3,705,078.59	247,024.13
Vermont.....	256	2,263.76	3,229,682.49	270,142.89
Massachusetts.....	457	3,843.51	12,453,685.38	1,094,495.80
Rhode Island.....	72	555.72	1,235,376.25	69,016.82
Connecticut.....	223	1,924.95	7,755,975.60	727,366.74
New York.....	1,621	14,467.30	33,969,078.73	4,127,411.71
New Jersey.....	435	2,770.53	8,965,610.41	787,043.61
Pennsylvania.....	1,849	13,921.337	27,187,521.39	2,926,919.99
Delaware.....	46	384.31	748,099.35	51,120.24
Maryland.....	326	4,278.59	9,673,982.55	1,043,333.41
Virginia.....	1,105	13,211.11	14,792,806.29	1,492,499.10
West Virginia.....	835	8,364.54	7,084,375.15	519,520.05
Total first section.....	8,107	74,017.957	136,900,683.40	13,900,315.04
North Carolina.....	747	10,535.92	11,001,089.78	1,129,859.74
South Carolina.....	340	4,964.30	5,532,167.68	451,567.10
Georgia.....	452	9,703.27	12,220,981.52	1,055,768.33
Florida.....	473	7,346.95	5,619,290.99	533,117.10
Porto Rico.....	62	3,483.49	647,971.14	77,738.21
Alabama.....	615	8,062.35	8,908,430.23	643,929.62
Mississippi.....	594	9,017.81	9,112,253.91	741,289.24
Tennessee.....	462	5,939.98	6,236,178.56	544,393.23
Kentucky.....	1,218	13,913.01	13,998,775.56	1,298,127.22½
Total second section.....	4,963	72,997.08	73,077,139.27	6,475,789.79½
Ohio.....	906	14,628.80	40,492,096.98	6,524,465.43
Indiana.....	473	6,872.45	14,063,282.54	1,655,596.81
Illinois.....	641	12,571.96	29,861,021.43	3,637,379.14
Michigan.....	698	10,544.09	16,131,432.55	1,336,945.86
Wisconsin.....	540	9,275.64	13,226,590.53	1,470,189.62
Minnesota.....	530	12,187.45	14,244,699.95	1,782,310.19
Iowa.....	465	10,111.93	17,401,503.38	1,903,048.32
Missouri.....	890	13,577.28	19,297,045.04	2,133,782.03
Total third section.....	5,122	89,769.60	164,717,672.70	20,443,717.10
Arkansas.....	871	11,857.55	10,281,511.55	1,078,078.66
Louisiana.....	680	7,964.10	6,384,837.02	845,295.29
Texas.....	1,166	26,529.57	23,000,655.15	2,129,474.01
Oklahoma.....	671	12,735.99	13,202,982.86	1,239,916.05
Kansas.....	556	12,861.49	18,660,124.38	2,040,910.85
Nebraska.....	430	11,812.01	13,372,401.61	2,846,502.88
South Dakota.....	222	7,407.53	7,386,066.09	421,311.02
North Dakota.....	377	10,251.99	7,223,854.90	1,502,256.46
Montana.....	296	8,021	4,107,521.50	413,009.13
Wyoming.....	215	5,868.34	4,300,912.63	380,204.86
Colorado.....	406	8,960.23	8,637,965.19	906,052.53
New Mexico.....	324	7,586.89	5,559,012.47	586,924.95
Arizona.....	141	4,244.83	2,384,283.94	382,213.87
Utah.....	217	4,544.41	4,559,363.49	339,345.87
Idaho.....	284	5,850.63	3,253,979.73	440,030.62
Washington.....	473	8,322.98	7,177,168.24	751,628.14
Oregon.....	368	8,803.62	5,706,230.59	675,375.99
Nevada.....	151	5,823.45	2,774,813.11	261,176.45
California.....	840	17,103.57	18,172,263.94	2,361,684.03
Alaska.....	72	17,071.02	1,017,338.55	501,479.20
Hawaii.....	67	10,223.54	13,174.94	109,984.70
Samoa.....	2	185	12,860	1,000.00
Total fourth section.....	8,919	213,922.69	163,743,227.37	19,814,255.58
Grand total.....	27,131	450,707.327	538,438,722.74	60,634,077.51½
Railway Mail Service.....				17,479,504.84
Pneumatic-tube service.....				532,679.74
Special-office service.....				28,828.61
Freight or expressage.....				211,890.30
Buildings for use of Post-Office Department.....				43,511.31
Mail equipment.....				489,765.45
Miscellaneous expenses, office of Second Assistant Postmaster-General.....				805.58
Aggregate.....				79,421,063.34½

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con.

RAILROAD SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.	Annual rate of expenditure for transportation.	Annual rate of expenditure for railway post-office cars.	Annual rate of expenditure for railroad service.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>
Maine.....	46	2,014.18	3,560,751.37	323,291.61	21,267.22	344,558.83
New Hampshire.....	24	991.76	2,619,011.20	145,760.44	16,129.27	161,889.71
Vermont.....	23	933.19	2,048,424.64	160,469.03	29,925.25	190,394.28
Massachusetts.....	79	2,069.34	9,920,037.94	734,829.41	107,742.81	842,572.22
Rhode Island.....	9	170.57	705,115.92	20,060.98	.....	20,060.98
Connecticut.....	23	1,246.13	6,840,449.38	548,528.14	101,870.91	650,399.05
New York.....	171	8,250.63	26,171,596.74	2,950,843.81	289,726.53	3,240,570.34
New Jersey.....	75	1,840.11	7,825,538.81	608,096.22	75,383.44	683,479.66
Pennsylvania.....	258	7,492.507	20,571,305.66	2,132,265.55	219,984.19	2,352,249.74
Delaware.....	8	286.03	623,071.59	41,517.53	.....	41,517.53
Maryland.....	29	1,718.49	7,543,374.05	763,160.89	95,927.26	859,088.15
Virginia.....	71	4,417.88	9,095,735.42	1,026,832.65	109,245.81	1,136,078.46
West Virginia.....	81	2,286.35	3,603,130.37	265,270.45	9,710.10	274,980.55
Total, first section....	897	33,707.167	101,127,723.09	9,720,926.71	1,076,912.79	10,797,839.50
North Carolina.....	84	4,830.29	7,500,643.30	864,497.52	58,115.00	922,612.52
South Carolina.....	52	2,811.09	4,204,601.50	346,434.44	25,267.78	371,702.22
Georgia.....	108	7,139.66	10,564,926.04	887,227.91	59,049.69	946,277.60
Florida.....	69	3,217.98	3,500,173.23	298,091.61	16,747.73	314,839.34
Porto Rico.....	6	177.75	183,681.02	10,369.06	.....	10,369.06
Alabama.....	67	3,780.26	6,176,686.70	448,898.68	29,261.94	478,160.62
Mississippi.....	55	4,104.05	6,364,426.03	529,222.01	35,434.75	564,656.76
Tennessee.....	50	2,642.22	4,077,522.94	362,316.19	42,003.94	404,320.13
Kentucky.....	66	4,246.33	8,215,184.04	855,858.48	103,718.97	959,577.45
Total, second section....	557	32,949.63	50,787,844.80	4,602,915.90	369,599.80	4,972,515.70
Ohio.....	111	11,672.26	36,725,205.49	5,358,299.55	828,348.39	6,186,647.94
Indiana.....	64	5,517.84	12,657,286.10	1,318,310.35	203,443.79	1,521,754.14
Illinois.....	140	11,142.27	27,830,742.20	2,766,295.16	450,804.54	3,217,099.70
Michigan.....	125	7,237.20	13,354,120.09	1,029,205.05	85,852.89	1,115,057.94
Wisconsin.....	112	6,807.41	11,394,972.64	1,161,441.11	141,738.37	1,303,179.48
Minnesota.....	97	8,511.84	12,426,432.86	1,428,134.90	164,141.97	1,592,276.87
Iowa.....	116	9,236.89	16,330,190.43	1,580,845.69	204,450.89	1,785,296.58
Missouri.....	92	6,986.03	14,525,190.85	1,520,283.31	231,665.86	1,751,949.17
Total, third section....	857	67,111.74	145,244,140.66	16,162,815.12	2,310,446.70	18,473,261.82
Arkansas.....	65	3,813.34	6,050,121.79	709,705.46	81,246.15	790,951.61
Louisiana.....	59	3,309.30	3,867,456.50	336,422.97	4,343.00	340,765.97
Texas.....	133	12,331.24	16,134,573.77	1,610,366.50	44,972.15	1,655,338.65
Oklahoma.....	62	6,604.39	9,544,433.70	934,074.94	54,878.42	988,953.36
Kansas.....	102	9,714.30	16,147,864.14	1,738,603.67	139,351.52	1,877,955.19
Nebraska.....	61	6,954.41	11,185,737.69	2,422,752.29	244,782.44	2,667,534.73
South Dakota.....	44	3,391.91	2,877,620.01	295,914.15	5,185.37	301,099.52
North Dakota.....	38	5,417.33	6,168,385.50	1,272,196.92	81,644.06	1,353,840.98
Montana.....	24	1,962.59	1,969,073.50	232,948.80	.....	232,948.80
Wyoming.....	10	1,081.01	918,531.83	213,904.06	8,575.20	222,479.26
Colorado.....	60	4,426.34	6,521,366.93	619,109.35	11,293.75	630,403.10
New Mexico.....	25	2,727.94	3,044,650.47	446,084.21	4,420.00	450,504.21
Arizona.....	21	1,525.58	1,796,170.66	280,323.81	14,064.00	294,407.81
Utah.....	25	1,833.54	2,739,444.36	235,215.03	.....	235,215.03
Idaho.....	22	1,262.51	1,251,258.22	230,801.79	21,225.10	252,026.89
Washington.....	55	3,007.91	4,501,575.26	481,512.35	22,303.59	503,815.94
Oregon.....	34	1,848.94	2,285,161.31	347,319.30	37,273.27	384,592.57
Nevada.....	20	1,733.91	1,432,849.11	149,324.69	.....	149,324.69
California.....	115	6,353.01	12,014,528.86	1,672,203.68	149,240.27	1,821,443.95
Alaska.....	1	20.60	12,854.40	1,866.97	.....	1,866.97
Hawaii.....	6	131.84	170,672.88	5,676.80	.....	5,676.80
Total, fourth section....	982	79,451.94	110,639,330.89	14,236,327.74	924,818.29	15,161,146.03
Grand total.....	3,293	213,220.477	407,799,039.44	44,722,985.47	4,681,777.58	49,404,763.05

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con.

ELECTRIC AND CABLE CAR SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.	Annual rate of expenditure.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>
Maine.....	12	129.25	175,714.85	6,653.62
New Hampshire.....	8	79.50	136,587.25	9,304.82
Vermont.....	7	40.86	85,780.61	2,865.52
Massachusetts.....	64	668.45	1,212,252.36	73,542.13
Rhode Island.....	10	118.40	284,387.57	9,846.05
Connecticut.....	25	199.26	288,380.12	9,443.20
New York.....	47	620.22	1,327,078.85	74,844.46
New Jersey.....	13	107.61	194,886.52	6,216.39
Pennsylvania.....	66	843.85	1,541,329.05	81,940.59
Delaware.....				
Maryland.....	15	225.02	523,865.34	46,201.56
Virginia.....	9	85.97	107,810.75	3,438.26
West Virginia.....	4	50.11	63,707.82	1,975.10
Total first section.....	280	3,168.50	5,941,781.09	328,273.70
North Carolina.....	1	1.90	3,963.40	200.00
South Carolina.....	3	13.66	21,449.14	683.08
Georgia.....	4	49.71	74,745.84	2,440.50
Florida.....	3	17.53	25,602.34	897.85
Porto Rico.....	1	3.33	4,861.80	60.00
Alabama.....	5	43.19	113,100.65	3,392.99
Mississippi.....	1	6.22	12,265.44	367.96
Tennessee.....	6	81.58	145,583.26	5,387.41
Kentucky.....	2	29.74	80,879.58	2,426.34
Total second section.....	26	246.86	482,451.45	15,856.13
Ohio.....	63	1,024.95	1,535,358.35	67,249.06
Indiana.....	16	283.22	221,491.62	6,442.91
Illinois.....	25	324.94	630,308.07	239,620.96
Michigan.....	19	407.07	543,085.61	22,163.39
Wisconsin.....	6	33.04	60,494.55	2,005.85
Minnesota.....	8	117.13	168,012.77	5,164.00
Iowa.....	9	222.08	243,609.17	9,151.50
Missouri.....	4	123.60	415,321.75	60,848.50
Total third section.....	150	2,536.03	3,817,081.89	412,646.17
Arkansas.....				
Louisiana.....	1	15.06	58,343.16	1,750.29
Texas.....	3	51.56	69,358.28	2,129.37
Oklahoma.....	2	12.66	22,354.52	695.27
Kansas.....	2	12.63	30,943.68	1,012.83
Nebraska.....	2	26.25	114,075.68	4,439.92
South Dakota.....				
North Dakota.....	1	2.51	2,473.15	175.00
Montana.....				
Wyoming.....				
Colorado.....	2	41.32	65,518.18	1,965.52
New Mexico.....				
Arizona.....				
Utah.....	2	23.34	35,996.17	1,174.79
Idaho.....	2	61.62	75,313.35	3,378.84
Washington.....	7	122.71	165,572.68	7,476.96
Oregon.....	6	87.46	147,043.20	5,705.02
Nevada.....				
California.....	22	356.26	687,609.80	27,656.51
Alaska.....				
Hawaii.....				
Total fourth section.....	52	813.38	1,474,501.83	57,560.32
Grand total.....	508	6,764.77	11,716,416.26	814,336.32

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con.

REGULATION, SCREEN, OR OTHER WAGON SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.	Annual rate of expenditure.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>
Maine.....	2	5.65	34,677.36	6,584.00
New Hampshire.....	4	2.63	17,299.36	4,622.50
Vermont.....	2	1.66	7,757.88	2,299.99
Massachusetts.....	12	24.37	168,796.84	62,029.00
Rhode Island.....	1	8.65	26,189.28	8,240.00
Connecticut.....	7	8.23	60,722.18	16,124.00
New York.....	32	218.04	1,194,346.57	362,807.50
New Jersey.....	5	12.94	61,932.52	16,272.00
Pennsylvania.....	22	59.93	324,283.96	90,110.37
Delaware.....	1	4.28	19,339.84	3,500.00
Maryland.....	3	49.78	157,342.12	46,453.00
Virginia.....	7	22.74	66,160.12	18,388.00
West Virginia.....	7	7.39	31,397.76	12,561.00
Total first section.....	105	426.29	2,170,245.79	649,991.36
North Carolina.....	5	5.22	21,828.52	6,250.00
South Carolina.....	4	8.39	39,584.24	7,196.00
Georgia.....	6	10	46,809.40	12,755.00
Florida.....	2	3.16	14,577.16	4,750.00
Porto Rico.....				
Alabama.....	3	3.63	14,501.76	3,785.00
Mississippi.....	3	3.29	9,536.28	5,625.00
Tennessee.....	4	13.46	50,213.80	13,943.00
Kentucky.....	4	15.30	69,008.18	17,219.00
Total second section.....	31	62.45	266,059.34	71,523.00
Ohio.....	22	80	331,340.82	93,668.00
Indiana.....	11	32.32	112,030.82	31,585.00
Illinois.....	38	46.09	194,702.68	68,511.00
Michigan.....	14	55.62	199,981.09	44,466.00
Wisconsin.....	8	31.74	107,571.88	32,097.00
Minnesota.....	7	26.81	135,363.28	42,939.00
Iowa.....	12	30.43	92,556.90	33,464.00
Missouri.....	6	18.28	118,112.28	35,497.00
Total third section.....	118	321.29	1,291,659.75	382,227.00
Arkansas.....	3	11.06	35,960.08	9,680.00
Louisiana.....	1	16.15	29,313.44	15,344.00
Texas.....	7	18.63	71,407.36	23,776.00
Oklahoma.....	2	2.63	9,481.68	2,898.00
Kansas.....	14	29.93	102,839.60	25,489.00
Nebraska.....	5	24.43	88,189.92	24,857.74
South Dakota.....	2	6.21	10,703.68	3,700.00
North Dakota.....	2	2.42	6,364.80	2,340.20
Montana.....	1	1.50	9,672.00	1,788.00
Wyoming.....				
Colorado.....	5	16.71	55,071.24	15,247.00
New Mexico.....				
Arizona.....				
Utah.....	1	2.87	14,960.40	4,600.00
Idaho.....				
Washington.....	3	12.87	26,571.04	16,605.00
Oregon.....	1	8.96	25,412.40	5,500.00
Nevada.....				
California.....	8	66.79	239,460.56	75,006.99
Alaska.....				
Hawaii.....				
Total fourth section.....	55	221.18	726,408.20	227,830.94
Grand total.....	309	1,031.21	4,454,373.08	1,331,572.30

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con

MAIL-MESSENGER SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.	Annual rate of expenditure.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>
Maine	157	123.19	230,795.76	29,119.96
New Hampshire.....	87	80.35	153,180.56	15,366.80
Vermont.....	74	51.44	117,302.64	12,125.00
Massachusetts.....	181	120.80	343,598.80	42,345.06
Rhode Island.....	24	14.24	32,852.56	4,387.50
Connecticut.....	95	68.13	185,503.76	21,502.60
New York.....	723	532.14	1,611,214.80	191,186.02
New Jersey.....	202	120.74	295,885.60	37,151.65
Pennsylvania.....	779	454.74	1,066,986.96	136,331.91
Delaware.....	79	12.90	28,137.20	3,344.50
Maryland.....	99	67.70	147,323.28	14,919.15
Virginia.....	195	127.84	276,134.16	28,553.07
West Virginia.....	139	62.24	115,029.20	18,760.34
Total first section	2,775	1,836.65	4,603,945.28	555,093.55
North Carolina	116	68.22	152,036.56	17,561.32
South Carolina.....	53	34.95	82,308.72	9,300.50
Georgia.....	117	78.71	151,035.04	16,892.43
Florida.....	102	76.76	127,034.96	15,503.75
Porto Rico.....	13	9.31	14,365.52	1,252.00
Alabama.....	138	96.19	178,080.24	18,799.50
Mississippi.....	76	48.55	93,975.44	11,938.67
Tennessee.....	100	63.06	144,087.20	16,666.69
Kentucky.....	135	79.04	198,937.20	22,633.74
Total second section	850	554.79	1,141,890.88	130,548.70
Ohio	493	343.09	841,536.80	93,899.22
Indiana.....	264	159.90	477,859.20	56,606.08
Illinois.....	337	234.61	630,984.64	70,434.79
Michigan.....	310	195.70	494,928.72	54,222.00
Wisconsin.....	200	126.98	317,754.32	39,262.55
Minnesota.....	173	96.32	230,500.40	31,467.65
Iowa.....	254	165.31	426,570.56	51,518.27
Missouri.....	219	149.83	367,572.40	42,283.59
Total third section	2,250	1,471.74	3,787,707.04	439,694.15
Arkansas	105	56.21	85,575.36	15,437.91
Louisiana.....	184	146.50	251,487.60	28,663.25
Texas.....	190	142.68	263,690.96	36,942.35
Oklahoma.....	182	96.12	216,047.52	32,667.80
Kansas.....	256	157.63	397,379.84	49,612.24
Nebraska.....	116	83.31	191,356.88	23,079.20
South Dakota.....	50	21.64	39,303.68	8,548.00
North Dakota.....	46	19.60	31,229.12	6,687.00
Montana.....	40	30.72	50,107.20	7,515.00
Wyoming.....	29	18.51	27,856.40	5,514.00
Colorado.....	70	35.91	66,408.16	11,822.80
New Mexico.....	43	23.47	37,505.52	6,481.50
Arizona.....	18	13.04	20,977.84	4,061.00
Utah.....	64	57.70	92,166.88	9,188.60
Idaho.....	42	24.28	28,227.68	6,979.00
Washington.....	93	62.17	117,016.64	22,157.80
Oregon.....	48	33.60	76,755.12	11,876.75
Nevada.....	6	5.14	8,262.80	1,680.00
California.....	175	127.98	293,171.84	39,534.08
Alaska.....	3	5.25	2,761.20	1,314.00
Hawaii.....	19	55	47,200.48	4,596.00
Total fourth section	1,779	1,216.46	2,344,488.72	334,358.28
Grand total	7,654	5,079.64	11,878,031.92	1,459,694.68

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con.

STAR SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.	Annual rate of expenditure.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>
Maine.....	309	2,739.76	1,826,143.28	127,824.42
New Hampshire.....	141	1,038.85	759,934.24	54,752.64
Vermont.....	149	1,236.56	970,388.52	62,458.10
Massachusetts.....	145	873.95	737,316.32	59,806.90
Rhode Island.....	22	109.86	106,577.12	8,768.75
Connecticut.....	73	403.20	283,920.16	29,997.89
New York.....	608	4,442.50	3,441,870.64	235,406.13
New Jersey.....	133	663.38	570,854.96	43,773.91
Pennsylvania.....	714	5,036.36	3,662,431.76	266,287.38
Delaware.....	17	81.10	77,550.72	2,758.21
Maryland.....	167	1,250.75	871,671.84	60,302.13
Virginia.....	781	7,523.83	4,727,763.04	257,417.83
West Virginia.....	565	5,824.65	3,223,760.80	210,394.06
Total, first section.....	3,824	31,214.75	21,360,180.40	1,419,848.36
North Carolina.....	512	5,250.19	3,116,665.76	167,106.46
South Carolina.....	176	1,763.42	1,050,794.16	56,809.31
Georgia.....	234	2,338.82	1,348,197.76	75,936.13
Florida.....	252	2,916.46	1,472,225.04	100,559.85
Porto Rico.....	30	479.10	335,316.80	22,657.15
Alabama.....	382	4,061.72	2,282,846.80	137,781.96
Mississippi.....	433	4,688.45	2,568,636.72	157,513.85
Tennessee.....	291	3,093.16	1,804,253.36	104,076.00
Kentucky.....	966	9,186.70	5,159,776.96	287,236.66½
Total, second section.....	3,276	33,778.02	19,138,713.36	1,109,677.36½
Ohio.....	211	1,363.50	1,019,670.08	80,354.69
Indiana.....	111	849.92	585,488.80	39,208.68
Illinois.....	99	800.55	561,647.84	40,912.69
Michigan.....	196	1,938.50	1,159,977.52	87,162.78
Wisconsin.....	196	2,048.22	1,231,643.92	91,119.94
Minnesota.....	221	3,070.85	1,190,556.64	106,762.67
Iowa.....	62	449.72	306,236.32	23,617.97
Missouri.....	536	6,165.54	3,829,039.76	243,203.77
Total, third section.....	1,632	16,716.80	9,684,260.88	712,343.19
Arkansas.....	653	7,323.69	3,926,112.32	239,219.14
Louisiana.....	395	3,787.93	1,949,542.40	135,965.51
Texas.....	780	13,302.21	6,729,574.80	406,568.54
Oklahoma.....	393	5,798.94	3,341,635.44	214,701.62
Kansas.....	171	2,755.50	1,333,829.12	86,841.09
Nebraska.....	224	4,482.36	1,917,771.44	126,591.29
South Dakota.....	171	3,737.27	1,356,334.72	107,963.50
North Dakota.....	238	4,324.78	1,619,470.32	138,213.30
Montana.....	188	5,368.19	1,941,804.80	170,757.33
Wyoming.....	150	4,240.66	1,587,147.12	152,211.10
Colorado.....	246	4,203.95	1,853,869.68	146,614.11
New Mexico.....	184	4,051.33	1,731,201.68	129,939.24
Arizona.....	80	2,347.26	955,131.84	83,745.06
Utah.....	117	2,508.96	1,334,987.68	89,167.45
Idaho.....	186	4,056.72	1,843,386.48	176,655.74
Washington.....	240	3,262.40	1,483,518.40	136,051.52
Oregon.....	280	6,445.26	2,870,556	257,560.87
Nevada.....	90	3,489.40	1,148,061.20	110,171.76
California.....	463	9,209.84	4,580,103.84	381,028.49
Alaska.....	24	5,288.50	269,483.65	313,551.95
Hawaii.....	26	511.79	156,224.64	19,068.57
Samoa.....	1	80	1,940	1,000.00
Total, fourth section.....	5,300	100,576.94	43,931,687.57	3,623,607.18
Grand total.....	14,032	182,286.51	94,314,842.21	6,865,476.07½

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con.

SPECIAL-OFFICE SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.
		<i>Miles.</i>	<i>Miles.</i>
Maine.....	32	245.58	154,115.52
New Hampshire.....	4	18.76	11,704.24
Vermont.....	1	.05	31.20
Massachusetts.....	3	10.50	6,552
Rhode Island.....			
Connecticut.....			
New York.....	23	97.75	30,498
New Jersey.....	6	30.75	12,792
Pennsylvania.....	10	33.95	21,184
Delaware.....			
Maryland.....	3	18.75	7,800
Virginia.....	31	80.50	25,116
West Virginia.....	28	116	36,192
Total first section.....	151	653.59	305,986.96
North Carolina.....	21	108.43	33,830.16
South Carolina.....	46	213.50	66,612
Georgia.....	11	54.37	16,963.44
Florida.....	28	268.47	83,762.64
Porto Rico.....			
Alabama.....	19	84	26,208
Mississippi.....	25	147.25	45,942
Tennessee.....	11	46.50	14,508
Kentucky.....	42	171.50	53,508
Total second section.....	203	1,094.02	341,334.24
Ohio.....	3	10	6,240
Indiana.....	7	29.25	9,126
Illinois.....	1	6.50	2,028
Michigan.....	25	302	188,448
Wisconsin.....	16	135.25	84,396
Minnesota.....	23	211.50	65,968
Iowa.....	2	7.50	2,340
Missouri.....	23	134	41,808
Total third section.....	100	836	400,374
Arkansas.....	41	194.50	60,684
Louisiana.....	33	180.10	56,191.20
Texas.....	51	622.75	194,298
Oklahoma.....	30	221.25	69,030
Kansas.....	11	131.50	47,268
Nebraska.....	22	241.25	75,270
South Dakota.....	25	250.50	82,104
North Dakota.....	52	495.25	100,932
Montana.....	33	658	126,864
Wyoming.....	26	468.16	97,377.28
Colorado.....	23	236	73,632
New Mexico.....	72	784.15	244,654.80
Arizona.....	22	359	112,008
Utah.....	8	134	41,808
Idaho.....	31	410.25	43,732
Washington.....	47	500.75	156,284
Oregon.....	18	184.63	57,604.56
Nevada.....	85	595	185,640
California.....	52	533	166,296
Alaska.....	28	1,327	135,008
Hawaii.....	5	1,248.25	129,818
Samoa.....	1	105	10,920
Total fourth section.....	666	9,870.29	2,260,873.84
Grand total.....	1,120	12,453.90	3,298,068.04

A.—Table of star, steamboat, special-office, railroad, mail-messenger, regulation, screen, or other wagon service, and electric or cable car service in operation June 30, 1908—Con.

STEAMBOAT SERVICE.

State or Territory.	Number of routes.	Length of routes.	Distance traveled per annum.	Annual rate of expenditure.
		<i>Miles.</i>	<i>Miles.</i>	<i>Dollars.</i>
Maine.....	22	513.09	213,213.78	29,680.22
New Hampshire.....	4	48.75	7,360.04	1,067.56
Vermont.....	3	86	65,081.12	14,200.00
Massachusetts.....	6	134	80,252.80	17,711.54
Rhode Island.....	17	306.02	192,473.13	22,597.28
Connecticut.....	1	5	4,680	150.00
New York.....	10	948.10	322,605.92	14,369.42
New Jersey.....	11	952.25	494,046.86	48,623.48
Pennsylvania.....	1	17.80	11,107.20	849.00
Delaware.....				
Maryland.....				
Virginia.....				
West Virginia.....				
Total, first section.....	75	3,011.01	1,390,820.79	149,268.58
North Carolina.....	8	271.67	172,122.08	16,129.45
South Carolina.....	6	119.29	66,817.92	5,875.99
Georgia.....	2	32	18,304	1,466.67
Florida.....	17	846.59	395,915.52	96,666.31
Porto Rico.....	2	2,814	109,746	43,400.00
Alabama.....	1	23.36	17,006.08	2,009.46
Mississippi.....	1	20	17,472	1,187.00
Tennessee.....	3	184.40	121,461.60	9,034.03
Kentucky.....				
Total, second section.....	40	4,311.31	918,845.20	175,668.91
Ohio.....	2	105	32,745.44	2,646.52
Indiana.....				
Illinois.....	1	17	10,608	800.00
Michigan.....	9	408	190,891.52	13,873.25
Wisconsin.....	2	93	29,757.52	2,525.00
Minnesota.....	1	153	27,846	3,700.00
Iowa.....				
Missouri.....				
Total, third section.....	15	776	291,848.48	23,544.77
Arkansas.....	4	458.75	123,058	22,790.00
Louisiana.....	7	509.06	172,502.72	22,806.27
Texas.....	2	60.50	37,762	4,720.00
Oklahoma.....				
Kansas.....				
Nebraska.....				
South Dakota.....				
North Dakota.....				
Montana.....				
Wyoming.....				
Colorado.....				
New Mexico.....				
Arizona.....				
Utah.....				
Idaho.....	1	32.25	10,062	990.35
Washington.....	33	1,354.17	724,680.32	65,720.92
Oregon.....	6	194.75	113,698	10,140.68
Nevada.....				
California.....	5	456.99	191,193.04	17,215.00
Alaska.....	16	10,429.67	594,231.30	184,746.28
Hawaii.....	11	8,276.66	409,258.94	80,623.33
Total, fourth section.....	85	21,772.50	2,376,436.32	409,752.83
Grand total.....	215	29,870.82	4,977,950.79	758,235.09

B.—Table showing the readjustment of the rates of pay per mile on railroad routes in the section in which the quadrennial term expired June 30, 1908, and also on certain unadjusted routes in other sections; the adjustment of the rates based upon returns of the weight of mails, the speed with which they are conveyed, the accommodations for mails and railway post-office clerks, and the number of trips per week, in accordance with the acts of March 3, 1873, July 12, 1876, June 17, 1878, and March 2, 1907.

[Abbreviations: r. p. o., railway post-office; apt., apartment; l. line or lines; m., miles; c. p., closed-pouch service; t. a. w., round trips a week. Weighing period 105 days from February 11, 1908. Adjusted from July 1, 1906, unless otherwise noted.]

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Dollars.	Annual rate of pay for transportation.
			Miles.	Pounds.				{	{	{	
118001	NORTH CAROLINA. Lawndale, Shelby.....	{Lawndale Railway and Industrial Co.	{ 9.46 2.98 12.46	157	9.63	{c. p. 6 t. a. w., Lawndale and Shelby, 12.46 m. Lap service, Lawndale Junction (n. o.) and Shelby, N. C., 2.98 m. over route 118005.	6	{ 42.75 6.84	{ 425.65 425.65		
118002	{Weldon, State Line (n. o.).	Atlantic Coast Line R. R. Co.	{ 53.09 3.10 116.46 {172.67	23,974	28.45	{r. p. o. authorized, 2 half 1.00 ft. and 2 half 1.40 ft. cars, Weldon and State Line (n. o.); r. p. o. run, 60 by 9, 14 t. a. w. Weldon and State Line (n. o.), 172.60 m.; apt. 25 by 9, 6 t. a. w. 20 by 9, 13 t. a. w. Weldon and Halifax, 7.52 m.; 25 by 9, 6 t. a. w. thence to Rockmount, 28.38 m.; 25 by 9, 6 t. a. w. 20 by 9, 20 t. a. w. thence to Wilson, 17.12 m.; 25 by 9, 6 t. a. w. thence to Fayetteville, 74.04 m.; 20 by 9, 6 t. a. w. thence to State Line (n. o.), 45.54 m. Lap service, Wilson and Centenia (n. o.) 3.10 m. over route 118008; r. p. o. pay, \$11.219 per annum, \$65 per m. for 172.60 m. Transportation pay fixed by agreement.	32.55	{ 361.65+ 260.25+ 361.65+	{ 62,100.80 62,100.80		
118003	Wilmington, Hamlet..	Seaboard Air Line Ry.	{ 4.10 106.71			{Apt. 30 by 9, 7 t. a. w., 25 by 9, 6 t. a. w., Wilmington and Hamlet, 110.70 m.; c. p. 1 t. a. w. Wilmington and Hamlet, 110.81 m. Lap service, Wilmington and Navassa (n. o.) 4.10 m. over route 120002. Restated, part covered by 118038.	14	{ 18.60 102.60	{ 11,024.70 11,024.70		
118004	Goldsboro, Greensboro.	Southern Ry. Co.....	{110.81 129.99	1,401	24.04	{r. p. o. 60 by 9, 7 t. a. w., Goldsboro and Greensboro, 129.70 m., not authorized, apt. 30 by 9 and 25 by 9, each 7 t. a. w., Goldsboro and East Durham, 75 m.; 30 by 9, 25 by 9, and 20 by 9, each 7 t. a. w. thence to Durham, 1.60 m.; 30 by 9 and 25 by 9, each 7 t. a. w. thence to Greensboro, 55.10 m.; c. p. 6 t. a. w. East Durham and Durham, 1.60 m.	31.16	175.06	22,756.04		
118005	Goldsboro, Beaufort...	Norfolk and Southern Ry. Co.	98.53	1,592	21.67	{Apt. 20 by 9 and 22 by 8, each 9 t. a. w. Goldsboro and Beaufort, 98 m. Restated, covers 118070.	18	110.29	10,866.87		

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Annual rate of pay.
			Miles.	Pounds.				Dollars.	Dollars.
118006	NORTH CAROLINA—continued. Salisbury, N. C., Morristown, Tenn.	Southern Ry. Co.....	228.70	7,034	26.22	r. p. o. authorized, 11, 40 ft. cars, Salisbury and Morristown; r. p. o. run, 60 by 9, 7 t. a w., Salisbury, N. C., and Morristown, Tenn.; 25, 40 m.; apt. 30 by 9, 7 t. a w., Salisbury and Asheville, 41 m.; 30 by 9, 7 t. a w.; 25 by 9, 7 t. a w.; 20 by 9, 6 out 21 by 9, 13 in, thence to Murphy Junction (n. o.), 120 m.; 30 by 9, 7 t. a w., thence to Morristown, Tenn.; 25, 40 m. c. 8 t. a w., Asheville and Murphy Junction (n. o.), 120 m.; 7 t. a w., thence to Morristown, Tenn.; 25, 40 m.; r. p. o. pay, \$5.70 per annum, \$25 per m. for 228.40 m.	16.75	191.30	43,750.31
118007	Vacant	Atlantic Coast Line	108.27	3,134	26.57	apt. 25 by 9, 14 t. a w., 20 by 9, 6 t. a w., Wilson and Goldsboro, 23.97 m.; 25 by 9, 14 t. w., thence to Wilmington, 84.30 m.	15.32	143.64	15,551.90
118008	Wilson, Wilmington....	R. R. Co.....				apt. 20 by 9, 13 t. w., 15 by 9, 6 t. a w., Charlotte and Mooresville, 28.06 m.; 20 by 9, 15 t. w., 15 by 9, 6 t. a w., thence to Taylorsville, 26.10 m.	15.04	86.35	5,563.53
118009	Charlotte, Taylorsville....	Southern Ry. Co.....	64.43	1,033	15.90	r. p. o. authorized, 11, 40 ft. cars, North and Hamlet; r. p. o. run, 60 by 9, 14 t. a w., Norlina and Hamlet, 155.60 m.; apt. 30 by 9, 7 t. a w., 25 by 9, 7 t. a w., Norlina and Raleigh, 60 m.; 30 by 9, 7 t. a w., thence to Hamlet, 56.60 m.; r. p. o. pay, \$3.50 per annum, \$25 per m. for 155.60 m.	23.27	360.25	56,101.73
118010	Norlina, Hamlet.....	Seaboard Air Line Ry.	155.73	23,704	26.82	apt. 20 by 9, 7 out, 30 by 9, 7 in, Mount Airy and Greensboro, 60.40 m.; 20 by 9, 19 out 12 in, 30 by 9, 7 in, thence to Climax, 12.82 m.; 20 by 9, 7 out 30 by 9, 7 in, thence to Sanford, 47.88 m.; c. 6 out, 6 in, Mount Airy and Rural Hall, 30.82 m.; and 6 t. a w., Stokesdale and Greensboro, 18.11 m.	10.40	76.95	10,065.06
118011	Mount Airy, Sanford..	Southern Ry. Co.....	130.80	818	17.84	apt. 20 by 9, 20 t. a w., Greensboro and Winston Salem, 28.35 m.; 12 t. a w., thence to North Wilkesboro, 74.63 m.; c. 7 t. a w., Greensboro and Winston Salem, 28.35 m.; r. p. o. pay, \$3.50 per annum, \$25 per m. for 257 m. over route 11012. Restricted as to lap.	16.12	22.24 132.52	13,379.38
118012	Greensboro, North Wilkesboro.	do.....	2.57 100.53 103.10	2,355	17.21	r. p. o. authorized, 5 half 1.60 ft. and 4 half 1.40 ft. cars, Danville Junction (n. o.), Va., and Greensboro, N. C.; and 2 t. 50 ft. cars, Greensboro and Charlotte, N. C.; r. p. o. run, 60 by 9, 35 out, 28 in, Danville Junction (n. o.), Va., and Greensboro, N. C.; 49.52 m.; 60 by 9, 14 t. a w., thence to Charlotte, N. C., 92.48 m.; stores, 60 by 9, 14 out, Danville Junction (n. o.) and Greensboro, N. C., 49.52 m.; apt. 30 by 9, 25 by 9, 20 by 9 each 7 t. a w., Danville Junction (n. o.) and Danville, Va., 40 m.; 30 by 9,	44.29	794.61	102,894.62
118013	Danville Junction (n. o.), Va., Charlotte, N. C.	do.....	142.00	60,228	32				

118014	Oxford, Henderson...	do.	14.65	66	20.09	25 by 9, each 7 t. a. w., thence to Charlotte, N. C., 141.60 m.; c. p. 7 t. a. w., Danville Junction (n. o.), Va., and Greensboro, N. C., 40.52 m.; 21 out, 14 in, thence to Charlotte, N. C., 92.48 m., r. p. o. pay, \$14,826.40 per annum, \$150 per m. for 92.48 m.	14	42.75	626.28
118015	Elrod, N. C., Conway, S. C.	Atlantic Coast Line R. R. Co.	71.70	508	19.86	c. p. 14 t. a. w., Oxford and Henderson, 14.65 m.	8.71	64.12	4,597.40
118016	Asheville Junction (n. o.), Murphy	Southern Ry. Co.	123.93	902	19.27	apt. 20 by 10, 6 t. a. w., Elrod, N. C., and Conway, S. C., 71.50 m.; c. p. 12 t. a. w., Elrod and Fairmont, 11.93 m.; 6 t. a. w., thence to Boardman, N. C., 10.40 m.	13.22	81.22	10,065.59
118017	Vacant.	do.	11.15	351	14.19	apt. 25 by 9, 7 t. a. w., 20 by 9, 6 t. a. w., Asheville Junction (n. o.), and Murphy, 123.68 m.; c. p. 1 t. a. w., Asheville Junction (n. o.), and Waynesville, 28.39 m.	12	53.01	591.06
118018	University, Chapel Hill.	do.	1.23	692	22.42	c. p. 12 t. a. w., University and Chapel Hill, 11.15 m.	13	6.50	6,193.15
118019	Hallix, Kinston...	Atlantic Coast Line R. R. Co.	86.19	892	27.41	(apt. 20 by 9, 13 t. a. w., Hallix and Kinston, 86.52 m. Lap service, { Hallix and Pender (n. o.), 1.23 m. over route 118002.	71.82	55.57	3,038.56
118020	Plymouth, Tarboro...	do.	54.68	390	27.50	Restated.	13	82.06	2,289.21
118021	Highpoint, Ashboro...	Southern Ry. Co.	27.86	928	27.50	apt. 15 by 9, 12 t. a. w., Highpoint and Ashboro, 27.70 m.; c. p. 7 t. a. w., Highpoint and Ashboro, 27.89 m.	19	49.59	376.38
118022	Leaksville Junction (n. o.), Leaksville.	Danville and Western Ry. Co.	7.59	300	14.25	c. p. 18 out, 24 in, Leaksville Junction (n. o.) and Leaksville, 7.59 m.	21	76.09	8,436.55
118023	Lenoir, N. C., Chester, S. C.	Carolina and North-Western Ry. Co.	110.88	786	23	apt. 20 by 9, 6 t. a. w., Lenoir, N. C., and Chester, S. C., 110.00 m.; c. p. 12 t. a. w., Lenoir and Hickory, N. C., 20.65 m., and 6 t. a. w., Yorkville and Chester, S. C., 23.93 m.	9.52	48.73	503.86
118024	Vacant.	Seaboard Air Line Ry.	10.24	285	13.84	c. p. 18 t. a. w., Louisville and Franklinton, N. C., 10.34 m.	16	42.75	146.20
118025	Louisburg, Franklinton.	do.	3.42	204	13.48	c. p. 18 t. a. w., Warren Plains and Warrenton, 3.42 m.	18	70.11	11,177.63
118026	Warren Plains, Warrenton.	Warrenton R. R. Co.	159.43	659	15.52	apt. 21 by 9, 6 out, 20 by 9, 6 in, Edenton and Raleigh, 159.09 m.; c. p. 6 out, 12 in, Edenton and Moseley Ferry, 9.84 m., 12 t. a. w., thence to Washington, 43 m., 0 t. a. w., thence to Wilson, 57.49 m., 6 t. a. w., thence to Raleigh, 49.10 m. Restated, covers part of 118039 and all of routes 118077 and 118080.	11.63	48.73	908.81
118027	Edenton, Raleigh...	Norfolk and Southern Ry. Co.	18.55	285	20.70	c. p. 13 t. a. w., Rocky Mount and Spring Hope, N. C., 18.65 m.	13	42.75	463.76
118028	Rocky Mount, Spring Hope.	Atlantic Coast Line R. R. Co.	11.55	151	11.30	c. p. 12 t. a. w., Moncure and Pittsboro, 11.55 m.	12	47.02	644.17
118029	Moncure, Pittsboro...	Seaboard Air Line Ry.	13.70	264	14.40	c. p. 18 t. a. w., Warsaw and Clinton, N. C., 13.70 m.	18	44.46	839.40
118030	Warsaw, Clinton...	Atlantic Coast Line R. R. Co.	18.88	227	13.93	apt. 20 by 9, 12 t. a. w., Climax and Ramseur, 16.74 m.	12	75.24	15,740.20
118031	Climax, Ramseur...	Southern Ry. Co.	209.20	770	27	apt. 25 by 9 and 20 by 9, each 7 t. a. w., Marion, N. C., and Rock Hill, S. C., 109.16 m.; 25 by 9, 7 t. a. w., and 12 by 9, 6 t. a. w., thence to Kingville, S. C., 99.80 m.	13.52	42.75	1,523.61
118032	Marion, N. C., Kingville, S. C.	do.	35.64	179	19.04	apt. 25 by 9, 6 t. a. w., Boykins, Va., and Lewiston, N. C., 35 m.	6	5.96	397.36
118033	Boykins, Va., Lewiston, N. C.	Seaboard Air Line Ry.	1.11	141	13.18	(c. p. 12 t. a. w., Hamlet and Gibson, 10.25 m. Lap service, Hamlet and Gibson, Junction (n. o.), 1.11 m. over route 118003.	12	42.75	
118034	Hamlet, Gibson...	do.	9.14						
			10.25						

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay for transportation.	Dollars.
	NORTH CAROLINA—continued.		Miles.	Pounds.							
118035	Vacant.		18.53	139	14.36	c. p. 12 t. a. w., Cameron and Carthage, 10.03 m.; 6 t. a. w., thence to Hallison, 8.60 m.	9.24	42.75	792.15		
118036	Cameron, Hallison....	Randolph and Cumberland Ry. Co.	11.54	5	13.82	c. p. 6 t. a. w., Stokesdale and Madison, 11.54 m.	6	42.75	493.33		
118037	Stokesdale, Madison....	Southern Ry. Co.	324.91	8,134	20	apt. 30 by 9, 14 t. a. w., and 30 by 9, 7 t. a. w., Hamlet and Monroe, 52.60 m.; 30 by 9, 14 t. a. w., thence to Clinton, S. C., 90.70 m.; 30 by 9, 14 t. a. w., and 25 by 9, 7 t. a. w., thence to Atlanta, Ga., 181.50 m. Re-stated.	19.04	202.67	65,840.50		
118038	Hamlet, N. C., Atlanta, Ga.	Seaboard Air Line Ry.									
118039	Mackey Ferry, Belhaven.	Norfolk and Southern Ry. Co.	30.09	403	20.57	apt. 22 by 9, 12 t. a. w., Mackey Ferry and Belhaven, 29.80 m. Re-stated, part covered by 118027.	12	56.43	1,697.97		
118040	Vacant.		41.86	306	18.24	apt. 18 by 9, 6 t. a. w., Henderson and Durham, 41.40 m.; c. p. 12 t. a. w., Henderson and Dement (n. o.), 10.96 m.	8.94	40.59	2,075.83		
118041	Henderson, Durham....	Seaboard Air Line Ry.	45.70	1,025	22.56	apt. 30 by 9, 12 t. a. w., Parkton and Bennettsville, 45.08 m.; c. p. 1 t. a. w., Parkton and McColl, 36.56 m.; 7 t. a. w., thence to Bennettsville, 9.14 m.	14.20	86.35	3,946.19		
118042	Parkton, N. C., Bennettsville, S. C.	Atlantic Coast Line R. R. Co.	56.71	508	23.46	apt. 15 by 9, 6 t. a. w., Aberdeen and Ashboro, 56.60 m.; c. p. 6 t. a. w., Aberdeen and Pinchurst, 6.05 m.	6.64	64.12	3,636.24		
118043	Aberdeen, Ashboro....	Aberdeen and Ashboro R. R. Co.	116.80	1,230	26.27	apt. 25 by 9, 7 t. a. w., and 30 by 9, 6 t. a. w., Norfolk Va., and Tarboro, N. C., 101.70 m.; 25 by 9, 7 t. a. w., and 20 by 9, 13 t. a. w., thence to Rocky Mount, 15.10 m.; c. p. 0 out, 6 in, Tarboro and South Rocky Mount, 14.10 m. Re-stated.	14.26	94.90	11,064.32		
118044	Norfolk, Va., Rocky Mount, N. C.	Atlantic Coast Line R. R. Co.									
118045	Vacant.		41.56	403	13.60	apt. 20 by 9, 6 t. a. w., Salisbury and Norwood, 41 m.; c. p. 6 t. a. w., Salisbury and Norwood, 41.56 m.	12	56.43	2,345.23		
118046	Salisbury, Norwood....	Southern Ry. Co.	6.24	49	13.60	c. p. 18 t. a. w., Halls Ferry Junction (n. o.) and Whitney, 6.24 m.	18	42.75	266.76		
118047	Halls Ferry Junction (n. o.), Whitney.	do.									
118048	Newbern, Oriental....	Norfolk and Southern Ry. Co.	27.14	243	19.14	c. p. 13 t. a. w., Newbern and Neuse Junction, 2.08 m.; 7 t. a. w., thence to Oriental, 25.06 m.	7.45	45.31	1,229.71		

118049	Charlotte, N. C., Atlanta, Ga.	Southern Ry. Co.	267.50	49,816	30	I. p. o. authorized: 21.60 ft. Charlotte, N. C., and Atlanta, Ga.; f. p. o. 17.60 by 9.14 t. a. w., Charlotte, N. C., and Atlanta, Ga.; 267.50 m., stores east, 60 by 9, 14 t. a. w., Charlotte, N. C., and Atlanta, Ga.; 267.50 m.; 30 by 9, 7 t. a. w., Charlotte, N. C., and Toccoa, Ga.; 174.40 m.; 30 by 9, 7 t. a. w., and 20 by 9, 6 out, 7 in, thence to Atlanta, 63.10 m.; c. p. 14 t. a. w., in Charlotte, N. C., and Greenville, S. C.; 107.40 m.; 6 out, 6 in, thence to Santee, 36.50 m.; f. p. o. pay, \$21,400 per annum \$80 for and 20 by 9, 7 t. a. w., Winston-Salem and Mooresville, 54.70 m.	27.92	694.17166, 965.47
118050	Winston-Salem, Moorsville.	Atlantic and Western R. R. Co.	55.15	866	24.10	c. p. 12 t. a. w., Sanford and Broadway, 9.62 m.	13	79.51 4,384.97
118051	Sanford, Broadway.	Atlantic and Western R. R. Co.	9.62	74	12.72	c. p. 12 t. a. w., Sanford and Broadway, 9.62 m.	12	42.75 411.25
118052	Durham, Dunn.	Durham and Southern Ry. Co.	55.39	193	14.88	apt. 13 by 9.6 t. a. w., Durham and Dunn, 56.60 m.; c. p. 6 out, 0 in, Durham Junction, 1.96 m., over route 118041. Restated, covers part of 118066 and all of 118084.	8.79 {	13.68 { 2,384.73
118053	Parnale, Washington.	Atlantic Coast Line R. R. Co.	57.35	502	26.92	apt. 20 by 9.12 t. a. w., Parnale and Washington, 25.39 m.; c. p. 1 t. a. w., Parnale and Washington, 25.55 m.	13	64.12 1,638.26
118054	Wilmington, Newbern.	Atlantic Coast Line R. R. Co.	1.00	268	24.28	apt. 20 by 8.6 t. a. w., Wilmington and Newbern, 87.10 m. Lap service, Wilmington and Newbern Junction (n. o.), 1 m. over route 118008.	6 {	4.27 { 4,076.20
118055	Gulf, Star.	Durham and Charlotte R. R. Co.	86.60	183	16.75	apt. 8 by 5.6 t. a. w., Gulf and Star, 33.67 m.	6	42.75 1,455.21
118056	Not adjusted.	Durham and Charlotte R. R. Co.	87.60	520	19.92	apt. 12 by 9.6 t. a. w., 12 by 7.6 t. a. w., Raleigh and Fayetteville, 62.84 m. Restated, covers 118069.	12	64.98 4,096.33
118057	Raleigh, Fayetteville.	Durham and Charlotte R. R. Co.	63.04	301	18	apt. 15 by 9.7 t. a. w., Hendersonville and Lake Toxaway, 41.70 m.	7	49.59 2,068.68
118058	Hendersonville, Lake Toxaway.	Durham and Charlotte R. R. Co.	42.22	2,465	27.34	apt. 30 by 9.14 t. a. w., Portsmouth and Norfolk, 115.80 m.	14	134.23 15,547.86
118059	Portsmouth, Va., Norfolk, N. C.	Seaboard Air Line Ry.	115.83	222	18.19	c. p. 12 t. a. w., Blasco and Mount Gilead, 22.41 m.	12	43.60 977.07
118060	Blasco, Mount Gilead.	Aberdeen and Ashboro R. R. Co.	22.41	191	24.36	apt. 9 by 8.12 t. a. w., Aberdeen and Hope Mills, 39.50 m. Restated, covers 118045.	12	42.75 1,098.88
118061	Aberdeen, Hope Mills.	Aberdeen and Ashboro R. R. Co.	38.74	390	23.75	apt. 16 by 9.6 t. a. w., Johnson City and Allapass, 67.51 m.; c. p. 1 t. a. w., Johnson City and Toccoa, 48.09 m. Restated, covers 127032.	6.69	55.57 3,529.32
118062	Johnson City, Tenn., Allapass, N. C.	South and Western R. R.	68.91	187	19.84	c. p. 6 t. a. w., Asheville and Windsor, 22.58 m.	6	42.75 965.20
118063	Asheville, Windsor.	Wellington and Powellsville R. R. Co.	22.58	555	23.80	apt. 30 by 9.7 out, 20 by 9.7 in, Sanford and Wilmington, 118.63 m. Lap service Wilmington and Yacklin Junction (n. o.), 2.26 m. over route 12002.	7 {	65.83 { 7,683.07
118064	Sanford, Wilmington.	Atlantic Coast Line R. R. Co.	118.63	1,032	28.20	apt. 25 by 9.13 t. a. w., Monroe and Charlotte, 24.40 m.; 7 t. a. w., thence to Rutherfordton, 79.80 m.; c. p. 7 out, 6 in, Monroe and Charlotte, 24.70 m.	9.91	86.35 9,133.23
118065	Monroe, Rutherfordton.	Seaboard Air Line Ry.	108.77	286	16.30	apt. 18 by 9.6 t. a. w., Suffolk, Va., and Edenton, N. C., 49.80 m.	6	46.73 2,457.94
118066	Vacant.	Norfolk and Southern Ry. Co.	50.44					
118067	Suffolk, Va., Edenton, N. C.	Norfolk and Southern Ry. Co.						

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminl.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay for transportation.
			Miles.	Pounds.					Dollars.	Dollars.
118068	NORTH CAROLINA—continued. Norfolk Va., Edenton, N. C.	Norfolk and Southern Ry. Co.	1.50 2.30 71.74 75.54	1,971	18.14	(apt. 20 by 9, 13 t. a w., Norfolk, Va., and Edenton, N. C., 75.20 m.; c. p. 6 t. a w., Norfolk and Edenton, 75.54 m. Lap service, Norfolk, Va., and Tidewater Junction (n. o.), 1.50 m. over route 118068; Tidewater Junction (n. o.) and Carolina Junction (n. o.), Va., 2.30 m. over route 118068.	19	{ 87.21 87.21 120.54	{ 9,409.36 9,409.36 120.54	{ 9,409.36 9,409.36 120.54
118069	Vacant.									
118070	Dover, Richlands.	Goldboro Lumber Co.	25.45	108	15.78	c. p. 7 t. a w., Dover and Richlands, 25.45 m.	7	42.75	1,087.98	1,087.98
118071	Mackey Ferry, Columbia, N. C.	Norfolk and Southern Ry. Co.	22.09	200	14.43	c. p. 6 t. a w., Mackey Ferry and Columbia, N. C., 22.09 m.	6	42.75	944.34	944.34
118073	Tarboro, Farmville.	East Carolina Ry.	25.89	133	9.34	(c. p. 6 t. a w., Tarboro and Farmville, N. C., 26.89 m. Lap service, East Carolina Junction (n. o.), and Tarboro, 1 m. over route 118070.	6	{ 9.41 42.75	{ 1,116.20 1,116.20	{ 1,116.20 1,116.20
118074	West End, Jackson Springs.	Aberdeen and Ashboro R. R. Co.	26.89	69	23.48	c. p. 12 t. a w., West End and Jackson Springs, N. C., 4.12 m.	12	42.75	176.13	176.13
118075	Cranberry, Saginaw.	Linville River Ry. Co.	13.16	94	6.74	c. p. 6 t. a w., Cranberry and Saginaw, N. C., 13.15 m.	6	42.75	562.16	562.16
118076	Lumberton, Marion, S. C.	Raleigh and Charleston R. R. Co.	41.97	173	20.61	apt. 19 by 8, 6 t. a w., Lumberton, N. C., and Marion, S. C., 41 m.	6	42.75	1,794.21	1,794.21
118077	Vacant.									
118078	Wye (n. o.), Duke.	Durham and Southern Ry. Co.	2.11	106	14.88	c. p. 18 out, 12 in, Wye (n. o.) and Duke, 2.11 m. Formerly part of route 118068.	15	42.75	90.20	90.20
118079	Chocowinity, Neuse Junction (n. o.).	Norfolk and Southern Ry. Co.	29.97	75	25.20	c. p. 6 t. a w., Chocowinity and Neuse Junction (n. o.), 29.97 m. Re-stated.	6	42.75	1,281.21	1,281.21
118080	Vacant.									
118081	South Greenville (n. o.), Shelmerdine.	Greenville and Vanceboro R. R. Co.	12.34	26	13.12	c. p. 6 t. a w., South Greenville (n. o.) and Shelmerdine, N. C., 12.34 m.	6	42.75	527.83	527.83
118082	Oxford, Dement (n. o.).	Seaboard Air Line Ry.	4.79	344	19.11	c. p. 24 t. a w., Oxford and Dement (n. o.), 4.79 m.	24	53.01	283.91	283.91
118083	Kinston, Pinckhill.	Kinston and Carolina R. R.	18.88			Agreement.	6		807.12	807.12
118084	Vacant.									
118085	Lenoir, Mortimer.	Caldwell and North-ern R. R. Co.	21.25	64	9.67	c. p. 6 t. a w., Lenoir and Mortimer, N. C., 21.35 m.	6	42.75	912.71	912.71
118086	Pinelhurst, Carthage.	Aberdeen and Ashboro R. R. Co.	13.49	22	15.94	c. p. 12 t. a w., Pinelhurst and Carthage, 13.49 m.	12	42.75	576.69	576.69
118087	Farmville, Hookerton.	East Carolina Ry.	13.29			Agreement.	6		568.14	568.14
118088	Mason, Townsville.	Roanoke River Ry. Co.	10.64			do.	6		454.86	454.86

120001	SOUTH CAROLINA. Columbia, Greenville...	Southern Ry. Co.....	144.71	2,463 24	20.26	134.23	19,424.42
120002	Wilmington, N. C., Columbia, S. C.	Atlantic Coast Line R. R. Co.	{189.50 1.30 190.80}	4,024 22.50	17.91	{156.33+ 50.35+}	{29,691.09 }
120003	Columbia, Charleston...	Southern Ry. Co.....	128.80	2,671 27	25.72	137.65	17,729.32
120004	Charleston, S. C., Savannah, Ga.	Atlantic Coast Line R. R. Co.	{103.22 6.44 110.36}	16,701 30	24.20	{287.69+ 167.84+}	{30,978.15 }
120005	Florence, Charleston...	do	102.20	18,633 30.19	23.35	308.05+	31,452.73
120006	Lookhart, Lockhart junction (n. o.).	Southern Ry. Co.....	13.83	116 14	12	42.75	591.23
120007	Bowman, Branchville.	Branchville and Bow- man R. R. Co.	11.31	71 9	6	42.75	483.50
120008	Vacant.						
120009	Hodges, Abbeville....	Southern Ry. Co.....	11.89	178 20	14	42.75	508.29
120010	Port Royal, S. C., Au- gusta, Ga.	Charleston and West- ern Carolina Ry. Co.	{112.18 2.00 65.90 1.50 68.08}	444 25	8.54	59.85	6,713.97
120011	Asheville, N. C., Al- ston, S. C.	Southern Ry. Co.....	{2.00 65.90 1.50 68.08}	2,889 21	22.10	{29.24 140.22 27.48 140.22}	{18,886.36 }
120012	Hamlet, N. C., Jack- sonville, Fla.	Seaboard Air Line Ry.	{137.48 384.91}	12,599 32.50	14.66	247.35	95,207.48

apt. 20 by 9, and 30 by 9 each 7 t. a. w. 25 by 9, 14 t. a. w. Columbia and Alston, 26.16 m.; 20 by 9, and 25 by 9, each 7 t. a. w. thence to Greenville, 118.55 m.; c. p., 7 t. a. w. Columbia and Alston, 26.16 m., 14 t. a. w., Belton and Greenville, 26.52 m.

(r. p. o. authorized, 2 half 1.60 ft. and 2 half 1.40 ft. Florence and Pedee, S. C.; r. p. o. run, 60 by 9, 14 t. a. w., Pedee and Florence, 12.83 m.; apt. 20 by 9, 7 t. a. w., 25 by 9, 7 t. a. w., 25 by 10, 7 in. Wilmington and Florence, 109.62 m.; 20 by 9, 7 t. a. w., 25 by 9, 14 t. w., 25 by 10, 7 in. thence to Columbia, 81.18 m. Restated as to lap portion. Lap service, Royster (n. o.) and Columbia, 1.30 m. over route 120003. R. p. o. pay, \$833.95 per annum, \$65 per m. for 12.83 m. Transportation pay fixed by agreement.

apt. 25 by 9, 14 t. a. w. Columbia and Charleston, 128.80 m.; c. p., 14 t. a. w., Columbia and Kingsville, 23 m. 7 t. a. w. thence to Branchville, 43.30 m., 7 out, 14 in. thence to Summerville, 40.70 m., 14 out, 35 in. thence to Charleston, 21.80 m.

(r. p. o. authorized, 2 half 1.50 ft. and 2 half 1.40 ft., Charleston, S. C., and Savannah, Ga.; r. p. o. run, 60 by 9, 14 t. a. w., Charleston, S. C., and Savannah, Ga., 110.36 m.; apt. 15 by 9, 7 t. a. w., Charleston, S. C., and Savannah, Ga., 110.36 m.; c. p., 6 t. a. w., Charleston and Yemassee, S. C., 59.04 m. Lap service, Charleston and Ashley Junction (n. o.), S. C., 6.44 m., over route 120005. Restated as to lap; r. p. o. pay \$6,345.70 per annum, \$57.50 per m. for 110.36 m. Transportation pay fixed by agreement.

r. p. o. authorized, 2 half 1.60 ft. and 2 half 1.40 ft., Florence and Charleston; r. p. o. run, 60 by 9, 14 t. a. w., Florence and Charleston, 101.43 m.; apt. 20 by 9, 6 t. a. w., 25 by 9, 7 t. a. w., Florence and Lane, 48.24 m.; 20 by 9, 6 t. a. w., thence to Charleston, 53.19 m.; r. p. o. pay \$8,592.95 per annum, \$65 per m. for 101.43 m. Transportation pay fixed by agreement.

c. p., 12 t. a. w., Lockhart and Lockhart Junction (n. o.) 13.83 m.

c. p., 6 t. a. w., Bowman and Branchville, 11.31 m.

c. p., 14 t. a. w., Hodges and Abbeville, 11.89 m.

apt. 20 by 9, 7 t. a. w., Port Royal, S. C., and Augusta, Ga., 112.12 m.; c. p., 7 t. a. w., Port Royal and Yemassee, S. C., 24.68 m.

(apt. 15 by 9, 25 by 9, and 30 by 9, each 7 t. a. w., Asheville and Hendersonville, N. C., 21.78 m.; 25 by 9 and 30 by 9, each 7 t. a. w., thence to Alston, S. C., 115.55 m.; c. p., 7 t. a. w., Asheville, N. C., and Alston, S. C., 137.48 m. Restated as to lap. Lap service, Asheville and Biltmore, N. C., 2 m., over route 118006; Spartanburg Junction (n. o.) and Spartanburg, S. C., 1.50 m., over route 118006.

r. p. o. authorized 11, 40 ft. Hamlet, N. C., and Jacksonville, Fla.; r. p. o. run, 60 by 9, 7 t. a. w., Hamlet, N. C., and Jacksonville, Fla., 384.80 m.; apt. 25 by 9, 7 t. a. w., Hamlet, N. C., and Yulee, Fla., 390.60 m.; 25 by 9 and 30 by 9, each 7 t. a. w., thence to Jacksonville, 24.20 m.; c. p., 7 t. a. w., Yulee and Jacksonville, 24.20 m. Restated; covers route 120041; r. p. o. pay \$8,620 per annum, \$25 per m. for 384.80 m.

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. car, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay for transportation.
			Miles.	Pounds.					Dollars.	Dollars.
120013	SOUTH CAROLINA—continued.	Lancaster and Chester Ry. Co.	29.61	245	20	spt. 9 by 9, 6 t. a. w. Chester and Lancaster, 28.60 m.; c. p. 6 t. a. w. Chester and Lancaster, 29.61 m.	12	46.31	1,341.62	
120014		Wadesboro, N. C., and Florence S. C., 65.00 m.; c. p. 14 t. a. w. Wadesboro, N. C., and Florence, S. C., 66.66 m.	66.66	325	22	spt. 20 by 9, 6 t. a. w. Wadesboro, N. C., and Florence, S. C., 66.66 m.	20	51.30	3,419.65	
120015		Sumter, Lane, and 25 by 9, 7 t. a. w. Sumter and Lane, 40.20 m.; c. p. 14 t. a. w. Belton and Walhalla, 44.20 m.; c. p. 14 t. a. w. Belton and Anderson, 10.24 m.	40.59	953	28	spt. 20 by 9, 6 t. a. w. and 25 by 9, 7 t. a. w. Sumter and Lane, 40.20 m.	13	82.93	3,866.12	
120016		Blue Ridge Ry. Co.	44.53	715	22	spt. 28 by 9, 14 t. a. w. Belton and Walhalla, 44.20 m.; c. p. 14 t. a. w. Belton and Anderson, 10.24 m.	17.21	72.67	3,285.99	
120017		Southern Ry. Co.	75.71	3,095	25	spt. 25 by 9, 14 t. a. w. Branchville and Warrenville, 63.35 m.; 28 t. a. w. thence to Augusta, Ga., 12.21 m.; c. p. 7 t. a. w. Branchville, S. C., and Augusta, Ga., 75.71 m.	23.25	143.64	10,874.98	
120018		Greenville and Knoxville Ry. Co.	16.90	128	17	c. p. 14 t. a. w. Marietta and Greenville, 15.90 m.	14	42.75	675.45	
120019		Atlantic Coast Line R. R. Co.	37.53	327	11	spt. 12 by 9, 6 t. a. w. Ehrhardt and Wallerboro, 25.08 m., 12 t. a. w. thence to Green Pond, 11.81 m.	7.88	51.30	1,924.77	
120020		Georgetown and Western R. R. Co.	36.63	595	30	spt. 6 by 9, 13 t. a. w. Lane and Georgetown, 36.20 m.	13	67.54	2,473.99	
120021		Charleston and Western Carolina Ry. Co.	133.30	913	23	spt. 12 by 9, 6 t. a. w. 20 by 9, 7 t. a. w. Spartanburg, S. C., and Augusta, Ga., 133.30 m.; c. p. 7 t. a. w. McCormick, S. C., and Augusta, Ga., 42.92 m.	15.25	81.22	10,826.62	
120022		Atlantic Coast Line R. R. Co.	41.36	288	17	spt. 10 by 7, 6 t. a. w. Creston and Pagnall, 40.90 m.; c. p. 6 t. a. w. Creston and Pagnall, 41.39 m.	12	48.73	2,016.93	
120023		Charleston and Western Carolina Ry. Co.	58.61	275	21	spt. 10 by 9, 7 t. a. w. McCormick and Anderson, 57.98 m.	7	47.88	2,806.24	
120024		Laurens, Greenville, Conway, Myrtle Beach.	36.66	672	29	spt. 28 by 9, 7 t. a. w. Laurens and Greenville, 36.41 m.; c. p. 6 out, 12 in, Laurens and Greenville, 36.66 m.	16	70.96	2,601.39	
120025		Atlantic Coast Line R. R. Co.	14.34	19	17.24	c. p. 6 t. a. w. Conway and Myrtle Beach, 14.34 m.	6	42.75	613.08	
120026		Cayce (n. o.), Warrenville.	68.97	2,750	25	spt. 25 by 9, 14 t. a. w. Cayce (n. o.) and Warrenville, 68.90 m.	14	133.61	9,553.03	
120027		Batesburg, Perry.	26.16	96	18	spt. 15 by 9, 6 t. a. w. Batesburg and Perry, 26.08 m.; c. p. 3 t. a. w., Batesburg and Perry, 26.16 m.	9	42.75	1,118.34	
120028		Ravenels, Young Island.	5.70	177	15	c. p. 12 t. a. w., Ravenels and Young Island, 5.70 m.	12	42.75	248.67	
120029		Elliott, Lucknow.	16.17	182	11	c. p. 12 t. a. w., Elliott and Lucknow, 16.17 m.	12	42.75	691.26	

120080	State Line (n. o.), Peedee.do.....	24.55	20,664	28.48	r. p. o. authorized 2 half 1.60 ft. and 2 half 1.40 ft. State Line (n. o.) and Peedee, r. p. o. run; 60 by 9, 14 t. a. w., State Line (n. o.) and Peedee, 24.52 m.; apt. 20 by 9, 6 t. a. w., State Line (n. o.) and Peedee, 24.52 m.; t. p. o. pay \$1.60.80 per annum; \$60 per mile for 24.52 m. 1 train- poolman pay fixed by agreement, 24.31 m. o. p. 20 t. a. w., Alken and Edgelfield, 24.31 m. apt. 15 by 9, 6 t. a. w., Wilson and Millard (n. o.) 16.56 m.; c. p. 6 t. a. w., Wilson and Summerton, 15.07 m. o. p. 14 t. a. w., Floyd (n. o.) and Hartsfield, 10.51 m. c. p. 18 t. a. w., Pickens and Easley, 9.66 m. apt. 25 by 9, 14 t. a. w., 60 by 9, 7 t. a. w., Charlotte and Columbia, 108.31 m.; 25 by 9, 6 t. a. w., 60 by 9, 7 t. a. w., thence to Carey (n. o.) 1.60 m.; 25 by 9 and 60 by 9, each 7 t. a. w., thence to Ferry 31.29 m.; 15 by 9, 25 by 9, and 60 by 9, each 7 t. a. w., thence to Allendale, 45.60 m.; 60 by 9, 7 t. a. w., thence to Savannah, 72.64 m. Restated, covers 118,007. Lap service: Hartsfield, S. C., and Savannah, Ga., 20.55 m. over route 120004. apt. 10 by 7, 6 t. a. w., Ferguson and Eutawville, 6.20 m. apt. 12 by 9, 6 out, 7 in, 25 by 9, 7 t. a. w., Columbia and Laurens, 75 m.; c. p. 6 out, Columbia and Laurens, 75.25 m. apt. 20 by 9, and 25 by 9, each 7 t. a. w., Sumter and Orangeburg, 44.01 m.; 25 by 9, 7 t. a. w., thence to Robbins, 54.99 m.; c. p. 6 t. a. w., Cree- tot and Orangeburg, 14.59 m. apt. 25 by 9, 7 t. a. w., Robbins and Augusta, 28.80 m. Lap service over route 120010. Pay by agreement to June 30, 1912. c. p. 12 t. a. w., Letta and Clio, 20.30 m. apt. 20 by 9, 7 t. a. w., Gibson and Bennettsville, 11.20 m.; 13 t. a. w., thence to Sumter 63.70 m. o. p. 6 t. a. w., Cheraw and Pageland, 36.33 m. apt. 7 by 7, 6 t. a. w., Sumter and Camden, 30 m. Lap service; Southern Ry. Co. Jct. (n. o.) and Camden 4.55 m. over 118,032. c. p. 12 t. a. w., Union and Buffalo, 4.55 m. o. p. 12 t. a. w., Kollock and Bennettsville, 14.92 m. o. p. 13 t. a. w., Wareville (n. o.) and Ware Shoals 6.28 m.	20	327.54++	8,041.11
120081	Alken, Edgelfield	Southern Ry. Co.	24.31	299	20	46.59	1,205.53		
120082	Wilson, Millard (n. o.)	Northwestern R. R. Co.	16.63	187	22	42.75	710.93		
120083	Floyds (n. o.), Harts- field.	Atlantic Coast Line R. R. Co.	10.51	270	20	47.02	494.18		
120084	Pickens, Easley	Pickens R. R. Co.	9.66	208	18	42.75	412.96		
120085	{Charlotte, N. C., Sa- vannah, Ga.	{Southern Ry. Co.	{238.89 20.55 {259.44	{2,786 32	{	{139.36 28.43	{33,875.94		
120086	Ferguson, Eutawville.	Atlantic Coast Line R. R. Co.	6.30	53	20	42.75	269.32		
120087	Columbia, Laurens...	Columbia, Newberry and Laurens R. R. Co.	75.25	1,027	23	86.35	6,497.83		
120088	Sumter, Robbins	Atlantic Coast Line R. R. Co.	99.35	1,434	28	103.45	10,277.75		
120089	Robbins, S. C., Au- gusta, Ga.	.....do.....	28.81	1,323	30	58.14	1,675.01	
120040	Spence (n. o.), Great Falls	Catawba Valley Ry. Co.	21.55	.....	.....	.....	921.26
120041	Vacant.	Atlantic Coast Line R. R. Co.	20.30	212	18.20	43.60	885.08		
120042	Latia, Clio	.....do.....	75.43	594	20	67.54	5,094.54	
120043	Not adjusted.	.....do.....	36.33	176	20	42.75	1,553.10	
120044	Vacant.	Chesterfield and Lan- caster R. R. Co.	{24.48 4.55 {31.03	{186 24	{	{42.75 7.66	{1,167.00		
120045	Gibson, N. C., Sum- ter, S. C.	Northwestern R. R. Co.	4.55	38	14	42.75	194.51		
120046	Not adjusted.	Union and Glenn Springs R. R. Co.	14.92	102	16	42.75	637.83		
120047	Cheraw, Pageland	Bennettsville and Cheraw R. R. Co.	6.28	88	12	42.75	268.47		
120048	Sumter, Camden	Ware Shoals Manufac- turing Co.	.....	.....	.....	.....	.....
120049	Union, Buffalo	.....	.....	.....	.....	.....	.....
120050	Kollock, Bennettsville.	.....	.....	.....	.....	.....	.....
120051	Not adjusted.	.....	.....	.....	.....	.....	.....
120052	Wareville (n. o.), Ware Shoals.	.....	.....	.....	.....	.....	.....
120053	Vacant.	.....	.....	.....	.....	.....	.....

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mille per annum for transportation.	Dollars.	Annual rate of pay for transportation.
	GEORGIA.		Miles.	Pounds.						
121001	Adel, Ga., Perry, Fla.	South Georgia Ry. Co.	77.31	439	20	apt. 10 by 9, 7 t. a. w., Adel and Perry, 77 m.; c. p. 7 t. a. w., Adel and Perry, 77.31 m. Restated, covers route 123026.	14	58.99	\$4,580.51	
121002	Atlanta, Ga., Chattanooga, Tenn.	Nashville, Chattanooga and St. Louis Ry.	136.82	32,460	31	r. p. o. authorized: 2 half l. 60 ft., and 2 half l. 50 ft., and 1 half l. 40 ft., Atlanta, Ga., and Chattanooga, Tenn.; r. p. o. run: 60 by 9, 21 t. a. w., and 50 by 9, 7 t. a. w., Atlanta, Ga., and Chattanooga, Tenn., 136.82 m.; apt. 30 by 9, 7 t. a. w., Atlanta, Ga., and Chattanooga, Tenn., 136.82 m.; r. p. o. pay \$16,076.35 per annum. \$117.50 per mille for 136.82 m.	35	440.60	61,514.27	
121003	Atlanta, Ga., Montgomery, Ala.	Western Railway of Alabama.	171.13	28,347	30	r. p. o. authorized: 2 half l. 60 ft., 1 half l. 50 ft., and 1 half l. 40 ft., Atlanta, Ga., and Montgomery, Ala.; r. p. o. run: 60 by 9, 14 t. a. w., Atlanta and Montgomery, 171.13 m.; apt. 25 by 9, 7 t. a. w., Atlanta and Montgomery, 171.13 m.; c. p. 28 out, 21 in, Atlanta and Newman, 38.33 m., thence 7 t. a. w. to Lagrange, 32.07 m.; r. p. o. pay \$11,765.18 per annum. \$68.75 per m. for 171.13 m.	27.79	407.36	69,711.51	
121004	Augusta, Atlanta.	Georgia R. R.	171.00	8,424	28	apt. 25 by 9, 14 t. a. w., and 27 by 9, 7 t. a. w., Augusta and Atlanta, 171.00 m.; c. p. 6 out, 7 in, Augusta and Canak, 46.94 m.	22.78	205.11	35,073.81	
121005	Millen, Augusta.	Central of Georgia Ry. Co.	53.53	1,004	27	apt. 17 by 9, 7 t. a. w., Millen and Augusta, 53.53 m.	21	85.50	4,576.81	
121006	Washington, Barnett.	Georgia R. R.	17.62	603	22	c. p. 21 t. a. w., Washington and Barnett, 17.62 m.	21	68.40	1,205.20	
121007	Unionpoint, Athens.	do.	38.48	477	26	apt. 16 by 9, 14 t. a. w., Unionpoint and Athens, 38.00 m.	14	62.41	2,463.94	
121008	Kingston, Rome.	Nashville, Chattanooga and St. Louis Ry.	18.04	252	24	c. p. 21 t. a. w., Kingston and Rome, 18.04 m.	21	46.17	832.90	
121009	Savannah, Ga., Jacksonville, Fla.	Atlantic Coast Line R. R. Co.	152.46	12,910	35	r. p. o. authorized: 2 half l. 50 ft. and 2 half l. 40 ft., Savannah and Jacksonville; r. p. o. run: 60 by 9, 14 t. a. w., Savannah and Jacksonville, 152.46 m.; apt. 25 by 9, 7 t. a. w., Savannah and Jesup, 57.08 m.; and 7 t. a. w., Folkston and Jacksonville, 40.93 m.; c. p. 7 t. a. w., Savannah and Jesup, 57.08 m.; and Folkston and Jacksonville, 40.93 m. Restated, r. p. o. pay \$8,766.45 per annum. \$57.50 per m. for 152.46 m.	23	248.76+	37,925.99	
121010	Savannah, Macon.	Central of Georgia Ry. Co.	190.80	4,632	31	Transportation pay fixed by agreement. apt. 30 by 9, 14 t. a. w., 17 by 6, 7 t. a. w., Savannah and Millen, 78.80 m.; 30 by 9, 14 t. a. w., thence to Macon, 112 m.; c. p. 6 t. a. w., Gordon and Macon, 20.20 m.	17.52	165.01	31,483.90	
121011	Fort Valley, Columbus.	do.	71.53	2,770	28	apt. 25 by 9, 14 t. a. w., Fort Valley and Columbus, 71 m.	14	138.51	9,907.62	

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.		Average weight of mails carried over entire route per day.	Miles per hour.		Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Annual rate of pay for transportation.
			Miles.	Pounds.						Dollars.	Dollars.
	GEORGIA—continued.										
121031	Albany, Thomasville.	Atlantic Coast Line R. R. Co.	57.05	1,306	25			(apt. 16 by 9, and 12 by 9, each 7 t. a. w. Albany and Thomasville 58.23 m.; lay service Albany and Albany Junction (n. o.) over route 121023.	14	{ 41.04 } 98.32	5,688.76
121032	Collins, Reidsville.	Georgia Coast and Piedmont R. R. Co.	58.99	420	20			apt. 20 by 9, 7 t. a. w. Collins and Reidsville 6.90 m.; c. p. 6 t. a. w. Collins and Reidsville 7.26 m.	13	58.14	422.09
121033	Not adjusted.										
121034	Bellmont, Monroe.	Gainsville Midland Ry.	32.89	172	16			apt. 9 by 6, 7 t. a. w. Bellmont and Windsor, 17.18 m.; 13 t. a. w. thence to Monroe, 15.11 m.; restated.	9.83	42.75	1,405.04
121035	Chamblee, Roswell.	Southern Ry. Co.	11.27	326	16			c. p. 12 t. a. w. Chamblee and Roswell, 11.27 m.	12	51.30	578.15
121036	Dupont, Ga., Lakeland, Fla.	Atlantic Coast Line R. R. Co.	255.76	994	20			apt. 25 by 9, 7 t. a. w. Dupont and Groom, 192.46 m.; 14 t. a. w. thence to Tallby, 9.10 m.; 7 t. a. w. thence to Lakeland, 34.04 m.; c. p. 13 t. a. w. Lake City Junction (n. o.) and Fort White, 2.61 m.; 6 t. a. w. Groom and Tallby, 9.10 m.	7.64	82.08	19,351.18
121037	Albany, Cordele.	Albany and Northern Ry. Co.	35.53	280	23			apt. 12 by 9, 12 t. a. w. Albany and Cordele, 35 m.	12	47.02	1,670.62
121038	Cochran, Hawkinsville.	Southern Ry. Co.	10.68	177	21			c. p. 21 t. a. w. Cochran and Hawkinsville, 10.68 m.	21	42.75	456.57
121039	Smithville, Ga., Lockhart, Ala.	Central of Georgia Ry. Co.	176.33	1,418	22			apt. 25 by 9, 21 t. a. w. Smithville and Albany, 23.50 m.; 14 t. a. w. thence to Hartford, 104 m.; 7 t. a. w. thence to Lockhart, 48.60 m.; restated.	12.99	102.60	18,091.45
121040	Brunswick, Oglethorpe.	Atlanta, Birmingham and Atlantic R. R. Co.	196.27	1,649	26			apt. 25 by 9, 14 t. a. w. Brunswick and Oglethorpe, 195.83 m.; c. p. 14 t. a. w. Brunswick and Thakman Junction, 21.32 m.; restated.	15.62	112.86	23,151.03
121041	Cuthbert, Fort Gaines.	Central of Georgia Ry. Co.	23.15	129	20			c. p. 7 t. a. w. Cuthbert and Fort Gaines, 23.15 m.	7	42.75	989.66
121042	Atlanta, Ga., Birmingham, Ala.	Southern Ry. Co.	168.63	14,702	28			r. p. o. authorized; 21.40 ft. Atlanta, Ga., and Birmingham, Ala., r. p. o. run; 60 by 9, 14 t. a. w. Atlanta, Ga., and Birmingham, Ala., 167.64 m.; apt. 30 by 9, 7 t. a. w. Atlanta, Ga., and Birmingham, Ala., 167.64 m.; r. p. o. pay, \$8,382 per annum, \$50 per mile, 167.64 m.	21	299.28	45,408.68
121043	Vacant.							c. p. 13 t. a. w., Climax and River Junction, 30.48 m.	13	42.75	1,308.02
121044	Climax, Ga., River Junction, Fla.	Atlantic Coast Line R. R. Co.	30.48	48	15						
121045	Vacant.							c. p. 13 t. a. w., Sylvan and Rocky Ford, 14.45 m.	13	48.73	704.14
121046	Sylvan, Rocky Ford.	Sylvan and Girard R. R. Co.	14.45	294	11						
121047	Americus, Columbus.	Central of Georgia Ry. Co.	64.17	296	25			apt. 11 by 9, 6 t. a. w. Americus and Columbus, 63.70 m.; c. p. 7 out, 1 in, Americus and Columbus, 64.17 m.	10	49.59	3,182.19

121048	Augusta, Tennille.....	Augusta Southern R. Co.	83.18	559	20	spt. 15 by 9, 6 t. a. w.; 20 by 9, 7 t. a. w., Augusta and Tennille, 83.14 m.....	13	66.88	5,478.73
121049	Vacant.	Seaboard Air Line R. Co.	287.70	2,088	26	spt. 25 by 9, 14 t. a. w., Savannah, and Helena, 113.60 m.; 21 t. a. w., thence to Richland, 113.40 m.; 14 t. a. w., thence to Montgomery, 110.70 m.; c. p. 7 t. a. w., Savannah, and Cuyler (n. o.), 19.80 m.	16.76	122.10	43,897.07
121050	Columbus, Ga., Montgomery, Ala.	Southern R. Co.	92.00	1,612	29	spt. 25 by 9, 14 t. a. w., Columbus and McDonough, 97.91 m.....	14	111.15	11,003.85
121051	Columbus, McDonough.	Central of Georgia R. Co.	106.47	707	28	spt. 17 by 9, 14 t. a. w., Athens and Macon, 105 m.....	14	72.67	7,664.50
121052	Athens, Macon.....	Georgia and Florida R. Co.	18.19	103	12	c. p. 7 t. a. w., Midville and Swainsboro, 18.19 m.....	7	42.76	777.62
121053	Midville, Swainsboro.	Georgia and Florida R. Co.	1.50	119	14	c. p. 11 t. a. w., Union Point and White Plains, 13.83 m.; restated as to lay part; lay services Union Point and White Plains Junction (n. o.), 160 m. over route 121004.	11	1.62 42.76	529.53
121054	Union Point, White Plains.	Union Point and White Plains R. R. Co.	13.83	344	20	spt. 15 by 9, 7 t. a. w., Millen and Vidalia, 53.29 m.	14	53.01	2,894.90
121055	Millen, Vidalia.....	Georgia and Florida R. Co.	53.29	640	26	spt. 10 by 9, 7 t. a. w., Roseland (n. o.) and Fort Valley, 102.40 m.....	7	70.11	7,183.47
121056	Roseland (n. o.), Fort Valley.	Southern R. Co.	102.46	1,184	24	spt. 12 by 9 and 10 by 9, each 7 t. a. w., Chattanooga and Cedartown, 97.10 m.; 19 by 9, 7 t. a. w., thence to Bremen, 28.36 m.; 19 by 9 and 12 by 9, each, 7 t. a. w., thence to Newman, 36.77 m.; 19 by 9, 7 t. a. w.; 12 by 9, 21 t. a. w., thence to Raymond, 6.11 m.; 19 by 9 and 12 by 9, each 7 t. a. w., thence to Griffin, 26.59 m.	13.42	93.19	18,470.25
121057	Chattanooga, Tenn., Griffin, Ga.	Central of Georgia R. Co.	198.20	9,146	28	spt. 25 by 9, 21 t. a. w., Macon and Valdosta, 151.95 m.; 14 t. a. w., thence to Palatka, 134.82 m.; c. p. 7 t. a. w., Macon and Tifton, 105.21 m.	20.27	212.42	60,982.67
121058	Macon, Ga., Palatka, Fla.	Georgia Southern and Florida R. Co.	288.86	180	15	c. p. 18 t. a. w., Crawford and Lexington, 3.88 m.....	18	42.76	106.87
121059	Crawford, Lexington..	Lexington Terminal R. R. Co.	2.88	121	14	c. p. 7 t. a. w., Wadley and Rixville (n. o.), 20.20 m.....	7	42.76	1,248.30
121060	Wadley, Rixville (n. o.)	Wadley Southern R. Co.	20.20	104	12	spt. 25 by 9, 7 t. a. w., Covington and Porterdale, 5.69 m.; c. p. 7 t. a. w., Covington and Porterdale, 5.89 m.	14	42.76	283.51
121061	Covington, Porterdale.	Central of Georgia R. Co.	5.89	1,493	30	spt. 25 by 9, 14 t. a. w., Atlanta and Birmingham, 106.19 m. Restated.....	14	106.02	17,711.70
121062	Atlanta, Ga., Birmingham, Ala.	Central of Georgia R. Co.	167.06	361	26	spt. 25 by 9, 14 t. a. w., Columbus and Richland, 36 m., 7 t. a. w., thence to Albany, 49 m.	10.10	53.86	4,788.69
121063	Columbus, Albany.....	Seaboard Air Line R. Co.	88.91	68	31	c. p. 14 t. a. w., Savannah and Fort Screven, 15.98 m.....	14	42.76	683.14
121064	Vacant.	Central of Georgia R. Co.	15.98	269	20	spt. 20 by 9, 7 t. a. w., Reidsville and Darien, 72.90 m.; c. p. 6 t. a. w., Darien Junction (n. o.) and Darien, 21.62 m.; restated; covers route 121060.	8.76	46.17	3,306.26
121065	Savannah, Fort Screven.	Georgia Coast and Piedmont R. R. Co.	72.56	306	20	spt. 20 by 9, 14 t. a. w., Abbeville and Oella, 30.80 m.....	14	42.69	1,552.16
121066	Reidsville, Darien.....	Seaboard Air Line R. Co.	31.30	463	25	spt. 14 by 9, 14 t. a. w., Waycross and Secons, 26 m.....	14	60.70	1,596.69
121067	Abbeville, Oella.....	Atlanta, Birmingham and Atlantic R. R. Co.	26.14	241	23	spt. 12 by 6, 6 t. a. w., Chattanooga and Gadsden, 91.70 m.....	6	45.31	4,176.22
121068	Waycross, Secons.....	Chattanooga Southern R. Co.	92.17	109	16	c. p. 7 t. a. w., Pineblum and Nashville, 21.01 m.; 14 t. a. w., thence to Sparks, 12.11 m.; restated; covers route 12107.	9.55	42.75	1,415.88
121069	Chattanooga, Tenn., Gadsden, Ala.	Georgia and Florida R. Co.	33.12	84	10	c. p. 14 t. a. w., Braxton and Oasterfield, 15.71 m.; 7 t. a. w., thence to Oella, 9.68 m.	11.33	42.75	1,085.42
121070	Pineblum, Sparks.....	Georgia and Florida R. Co.	33.12						
121071	Braxton, Oella.....	Fitzgerald, Oella, and Braxton R. R. Co.	25.39						

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1903, etc.—Con.

No. of route.	State and terminal.	Corporate title of company.	Length of route.	Average weight of mails carried over and under route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (seat and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay.
GEORGIA—continued.										
121072	Macon, Vidalia.....	Macon, Dublin and Savannah R. R. Co.	Miles, 92.97	504	24	spt. 25 by 9, 7 t. a. w., Macon and Vidalia, 92.93 m.; c. p. 7 t. a. w., Macon and Vidalia, 92.97 m.	14	64.12	Dollars.	5,961.23
121073	Vacant.	Wrightsville and Tennille R. R. Co.	30.84	62	20	c. p. 7 t. a. w., Dublin and Eastman, 30.84 m.	7	42.75		1,313.41
121074	Dublin, Eastman.....									
121075	Vacant.	Central of Georgia Ry. Co.	80.94	523	21	spt. 25 by 9, 7 t. a. w., Covington and Gordon, 80.70 m.; c. p. 6 t. a. w., Easton and Gordon, 37.98 m.	9.51	64.98		5,269.48
121076	Covington, Gordon.....									
121077	Cuthbert, Ga., Tallahassee, Fla.	Georgia, Florida and Alabama Ry. Co.	107.53	1,320	20	spt. 30 by 9, 14 t. a. w., Cuthbert and Tallahassee, 106.14 m.	14	99.13		10,664.82
121078	Stowah, Tenn., Atlanta, Ga.	Louisville and Nashville R. R. Co.	88.96 47.64 136.62	946	34	spt. 15 by 9, 7 t. a. w., Etowah and Marietta, 116.05 m.; 30 t. a. w., thence to Atlanta, 20.45 m.; lap service; Cartersville and Atlanta, 47.64 m.; over route 121072.	8.94	78.66 8.93		7,424.58
121079	Vacant.	Fitzgerald, Ocala and Irwinville.....	9.87	30	17	c. p. 7 t. a. w., Ocala and Irwinville, 9.87 m.	7	42.75		421.94
121080	Ocala, Irwinville.....									
121081	Suwanee, Lawrenceville.	J. R. McKelvey.....	10.38	35	10	c. p. 12 t. a. w., Suwanee and Lawrenceville, 10.38 m.	12	42.75		443.74
121082	Wadley, Collins.....	Wadley Southern Ry. Co.	53.16	478	14	spt. 12 by 9, 7 t. a. w., Wadley and Collins, 53 m.; c. p. 7 t. a. w., Wadley and Stillmore, 33.05 m.	11.24	62.41		3,317.71
121083	Macon, Lagrange.....	Macon and Birmingham Ry. Co.	8.00 97.20 105.20	289	21	spt. 14 by 9, 7 t. a. w., Macon and Lagrange, 104.80 m.; lap service; Macon and Tobesofee, 8 m., over route 121083.	7	3.25 48.78		4,762.55
121084	Gainesville, Athens.....	Gainesville, Midland Ry.	40.06 2.00	289	16	spt. 12 by 6, 13 t. a. w., Gainesville and Athens, 41.31 m.; c. p. 6 t. a. w., Gainesville and Athens, 42.06 m.; lap service; Fowler Junction (n. o.) and Athens, 2 m.; over route 113038; route restated; covers route 121045 and part of 121034.	19	47.02 2.44		1,888.50
121085	Jacksonville, Fla., Valdosta, Ga.	Georgia Southern and Florida Ry. Co.	42.08 110.48	1,468	31	spt. 25 by 9, 7 t. a. w., Jacksonville and Valdosta, 110.48 m.	14	105.16		11,618.07
121087	Sandersville, Tennille.	Sandersville and Tennille R. R. Co.	4.11	174	17	c. p. 25 out, 26 in, Sandersville and Tennille, 4.11 m.	25.50	42.75		175.70

121088	Albany, Boston.....	Georgia Northern Ry. Co. of Georgia	67.98	498	22	apt. 9 by 9, 6 t. a w., Albany and Boston, 67.50 m.; c. p. 8 t. a w. Albany and Boston, 67.98 m.	14	63.27	4,301.09
121089	Statesboro, Cuyler (n. c.).	Statesboro and Statesboro Ry. Co.	33.17	190	22	c. p. 13 t. a w., Statesboro and Cuyler (n. c.), 33.17 m.	13	42.75	1,418.01
121090	Lawrenceville, Loganville.	Seaboard Air Line Ry.	10.79	206	12	c. p. 12 t. a w., Lawrenceville and Loganville, 10.79 m.	12	42.75	461.27
121091	Apalachee, Bostwick.....	Bostwick R. R. Co.	6.08	58	12	c. p. 14 t. a w., Apalachee and Bostwick, 6.08 m.	14	42.75	259.92
121092	Hawkinsville, Bridgeboro	Gulf Line Ry. Co.	42.80 3.26 31.56 77.65	228	15	apt. 8 by 6, 7 t. a w., Hawkinsville and Sylvester, 63.30 m.; c. p. 7 t. a w., 20.50 m.; out, 14 m., thence to Sylvester, 17.50 m.; 14 t. a w., thence to Bridgeboro, 14.06 m.; lap service, Worth and Ashburn, 3.30 m.; over route 121088.	13.86	44.46 2.44 44.46	3,314.08
121093	Vacant.	Central of Georgia Ry. Co.	73.46	786	22	apt. 10 by 9, 14 t. a w., Raymond and Columbus, 72.95 m.; route restated, covers 121094.	14	76.09	5,589.57
121094	Raymond, Columbus.....	Atlantic Coast Line R. R. Co.	73.52	7,211	30	apt. 25 by 9, 21 t. a w., Jesup and Waycross, 39.39 m.; 7 t. a w., thence to Folkston, 34 m.; c. p. 7 t. a w., Jesup and Folkston, 73.52 m.; route restated, but covers part of 121099, between same points.	21.51	102.93	14,184.21
121095	Savannah, Springfield.	Brisson Ry. Co.	25.26	55	22	c. p. 14 t. a w., Savannah and Springfield, 25.26 m.; 10 m.; 12 by 9, 7 t. a w., thence to Pyrites, 69.30 m.; c. p. 7 t. a w., Pyrites and Hawkinsville, 24.30 m.; route restated, covers 124067.	14	42.75 61.56	1,079.83 9,887.15
121096	Oglethorpe, Ga., Pyrites, Ala.	Atlanta and Atlantic R. R. Co.	160.61	468	21	c. p. 7 t. a w., Savannah and Jesup, 57.22 m.; lap over route 121099.	8.05	4.87	278.63
121097	Savannah, Jesup.....	Southern Ry. Co.	57.22	489	24	c. p. 7 t. a w., Braxton and Douglas, 9.67 m.	7	42.75	413.39
121098	Vacant.	Georgia and Florida Ry.	9.67	23	17	c. p. 7 t. a w., Braxton and Douglas, 9.67 m.	7	42.75	413.39
121100	Braxton, Douglas.....	Georgia and Florida Ry.	119.05 18.80	8,291	29	apt. 30 by 9, 14 t. a w., Ooltewah and Atlanta, 137.40 m.; lap service; Ausell and Atlanta, 18.80 m.; over route 121042; formerly 127011.	14	204.30 53.66	26,894.71
121103	Ooltewah, Tenn., Atlanta, Ga.	Southern Ry. Co.	137.85	132	20	c. p. 12 t. a w., Milltown and Naylor, 10 m.	12	42.75	427.50
121104	Milltown, Naylor.....	Milltown Air Line Ry. Co.	10.00	47	6	c. p. 6 t. a w., Chickamauga and Pittsburg, 17.47 m.	6	42.75	746.84
121105	Chickamauga, Pittsburg.	Central of Georgia Ry. Co.	17.47	47	6	c. p. 6 t. a w., Chickamauga and Pittsburg, 17.47 m.	6	42.75	746.84
121106	Vacant.	Flint River and North-eastern R. R. Co.	24.60	131	18	c. p. 14 t. a w., Ticknor and Pelham, 24.60 m.	14	42.75	1,051.65
121107	Vacant.	Flint River and North-eastern R. R. Co.	57.74	395	19	apt. 16 by 7, 7 t. a w., Franklin, N. C., and Cornelia, Ga., 56.75 m.; route restated, covers route 121043.	7	56.43	3,258.28
121108	Ticknor, Pelham.....	Tallulah Falls Ry. Co.	57.74	6	14	c. p. 6 t. a w., Rixville (n. o.) and Rockledge, 7.83 m.	6	42.75	334.73
121109	Franklin, N. C., Cornelia, Ga.	Wadley Southern Ry. Co.	7.83	6	15	c. p. 6 t. a w., Otisca (n. o.) and Amsterdam, 10.29 m.; route restated.	6	42.75	498.89
121110	Vacant.	Wadley Southern Ry. Co.	10.29	41	15	c. p. 6 t. a w., Otisca (n. o.) and Amsterdam, 10.29 m.; route restated.	6	42.75	498.89
121111	Rixville (n. o.), Rockledge.	Atlantic Coast Line R. R. Co.	10.29	41	15	c. p. 6 t. a w., Otisca (n. o.) and Amsterdam, 10.29 m.; route restated.	6	42.75	498.89
121112	Vacant.	Atlantic Coast Line R. R. Co.	10.29	41	15	c. p. 6 t. a w., Otisca (n. o.) and Amsterdam, 10.29 m.; route restated.	6	42.75	498.89
121113	Rockledge, Amsterdam.	Atlantic Coast Line R. R. Co.	10.29	41	15	c. p. 6 t. a w., Otisca (n. o.) and Amsterdam, 10.29 m.; route restated.	6	42.75	498.89

12009	Thonotassas, Thonotassas Jct. (n. o.).	do.....	11.71	30	14	c. p. 6 t. a. w., Thonotassas and Thonotassas Junction (n. o.), 11.71 m.; restated.	6	42.75	500.60
12010	Sanford, Oviedo.....	do.....	17.05	87	13	c. p. 6 t. a. w., Sanford and Oviedo, 17.05 m.	6	42.75	728.88
12011	Wildwood, Orlando.....	Seaboard Air Line Ry.	54.31	378	18	apt. 20 by 9, 7 t. a. w., Wildwood and Orlando, 54 m.; c. p. 6 t. a. w., 13	13	54.72	2,971.84
12012	Palatka, Rochelle.....	Atlantic Coast Line	39.52	209	24	Wildwood and Orlando, 54.31 m.	7	42.75	1,689.48
12013	Tallahassee, St. Marks.	R. R. Co.	21.76	63	15	apt. 15 by 9, 7 t. a. w., Palatka and Rochelle, 38.58 m.; restated.	6	42.75	580.24
12014	Fort Mason (n. o.).	Seaboard Air Line Ry.	9.57	418	15	c. p. 6 t. a. w., Tallahassee and St. Marks, 21.76 m.	14.10	58.14	558.39
12015	Pensacola, River Junction.	R. R. Co.	161.90	2,683	25	apt. 15 by 9, 12 t. a. w., Fort Mason (n. o.) and Tavares, 6.46 m.; 6 t. a. w., thence to Lanepark, 3.02 m.; c. p. 6 t. a. w., Fort Mason (n. o.)	14	110.12	17,828.42
12016	Jacksonville, West Palm Beach Jct. (n. o.).	Louisville and Nashville R. R. Co.	298.97	7,640	25	apt. 30 by 9 and 25 by 9, each 7 t. a. w., Pensacola and River Junction, 161.12 m.; land grant.	14	197.80	59,138.26
12017	Miami, Knights Key.....	do.....	111.54	2,558	18	r. p. o. authorized 1 half 1.40 ft. and 1 half 1.50 ft. cars, Jacksonville and West Palm Beach Junction (n. o.); r. p. o. run, 60 by 9, 7 t. a. w., Jacksonville and West Palm Beach Junction (n. o.), 298.97 m.; apt. 25 by 9, 7 t. a. w., Jacksonville and West Palm Beach Junction (n. o.), 298.97 m.; restated; r. p. o. pay, \$8,996.38 per annum, \$28.75 per m. for 298.97 m.	3.53	135.94	15,162.74
12018	Jacksonville, Port Tampa.	Atlantic Coast Line R. R. Co.	248.03	10,871	25	c. p. 8 t. a. w., Miami and Homestead, 28.53 m.; 2 t. a. w., thence to Knights Key, 83.01 m.	22.15	230.01+	57,050.22
12019	Waldo, Cedar Keys.....	Seaboard Air Line Ry.	71.15	326	16	r. p. o. authorized, 11.40 ft. cars Jacksonville and Port Tampa; r. p. o. run, 60 by 9, 7 t. a. w., 40 by 9, 14 out, 7 in, Jacksonville and Port Tampa, 248.03 m.; apt. 13 by 9, 7 t. a. w., Enterprise Junction (n. o.) and Sanford, 6.36 m.; 16 by 9, 7 t. a. w., Lakeland and Tampa, 31.84 m.; c. p. 7 in, Jacksonville and Lakeland, 207.09 m.; 6 out, 13 in, thence to Winston Junction (n. o.), 3.36 m.; 0 out, 7 in, thence to Thonotassas Junction (n. o.), 23.24 m.; 6 out, 13 in, thence to Tampa, 2.64 m.; 0 out, 2 in, thence to Port Tampa, 9.10 m.; restated; r. p. o. pay, \$6,200.70 per annum, \$25 per m. for 248.03 m. Transportation pay fixed by agreement.	8.96	41.04	2,919.99
12020	De Land, De Land Jct. (n. o.).	Air Coast Line R. R. Co.	4	524	16	apt. 25 by 9, 7 t. a. w., Waldo and Cedar Keys, 70.85 m.; c. p. 13 out, 7 in, Waldo and Gainesville, 13.97 m.; land grant.	21	64.98	259.92
12021	Chubb, Bartow.....	do.....	16.77	369	16	c. p. 21 t. a. w., De Land and De Land Junction (n. o.), 4 m.	14	54.72	917.65
12022	Vacant.	do.....	3.34	2,585	24	c. p. 14 t. a. w., Chubb and Bartow, 16.77 m.	9.66	26.80 185.94	25,449.11
12023	Jacksonville, Croom.....	do.....	186.55	1,917	22	apt. 25 by 9, 7 t. a. w., 15 by 6, 6 out, 13 by 9, 6 in, Jacksonville and Bur-	14	94.05	10,795.99
12024	Lakeland, Fort Myers.	do.....	114.79	80	18	nets Lake (n. o.), 70.64 m.; 25 by 9, 7 t. a. w., thence to Croom, 119.24 m.; c. p. 6 t. a. w., Bur-	6	42.75	1,723.68
12025	Enterprise Jct. (n. o.).	Florida East Coast Ry. Co.	40.32	174	18	net Lake (n. o.), Bur-	13	42.75	1,211.96
12026	Titusville.	Georgia and Florida Ry.	28.35	788	26	net Lake (n. o.), Bur-	13	76.09	4,273.97
12027	Valdosta, Ga., Madison Fla.	Seaboard Air Line Ry.	56.17			net Lake (n. o.), Bur-			
12028	Turkeycreek, Sarasota.	do.....				net Lake (n. o.), Bur-			

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1903, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route. Miles.	Average weight of mail carried over entire route per day. Pounds.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trip per week.	Pay per mile per annum for transportation. Dollars.	Annual rate of pay for transportation. Dollars.
FLORIDA—continued.									
123029	Panola Jct. (n. o.), St. Petersburg wharf (n. o.).	Atlantic Coast Line R. R. Co.	145.18	970	24	apt. 12 by 9, 7 t. a w., Panola Junction (n. o.) and Trilby, 68.80 m.; 25 by 9, 7 t. a w., thence to Tarpon Springs, 44.10 m.; 25 by 9, 21 t. a w., thence to St. Petersburg, 31.20 m.; 25 by 9, 14 t. a w., thence to St. Petersburg wharf (n. o.), 1.08 m.; c. p. 6 t. a w., Trilby and St. Petersburg, 75.30 m.	13.17	83.79	12, 104.63
123030	Vacant.	do.	19.35	112	19	c. p. 13 t. a w., Lake City and Lake City Junction (n. o.), 19.35 m.	13	42.75	827.21
123031	Vacant.	do.	21.80	229	17	{ apt. 14 by 6, 7 t. a w., Ocala and Homosassa, 49.46 m.; c. p. 6 t. a w., Ocala and Homosassa, 49.88 m.; lap service, Juliette and Gulf Junction (n. o.), 5.93 m. over route 121036.	13	51.30 14.53 51.30	2, 840.79
123033	Ocala, Homosassa.	do.	22.15 49.88 3.71	48	14	{ c. p. 6 t. a w., Tavares and Clermont, 27.41 m.; lap service, Tavares and Ellsworth Junction (n. o.), 3.71 m. over route 123011.	6	3.42 42.75	1, 025.85
123034	Tavares, Clermont.	{ Tavares and Gulf R. R. Co.	27.41	248	24	c. p. 14 t. a w., Thomasville, Ga., and Monticello, Fla., 24.74 m.	14	46.17	1, 142.24
123035	Thomasville, Ga., Monticello, Ala.	Atlantic Coast Line R. R. Co.	24.74	124	26	{ c. p. 14 t. a w., Mayport and Jacksonville, 25.72 m.; lap service, Jacksonville and South Jacksonville, 1.15 m.; over route 123016; restated.	14	42.75 .81	1, 051.29
123036	Mayport, Jacksonville.	{ Florida East Coast Ry. Co.	1.15 25.72	38	16	c. p. 6 t. a w., Kissimmee and Narcoossee, 14.67 m.	6	42.75	627.14
123037	Kissimmee, Narcoossee.	Atlantic Coast Line R. R. Co.	14.67	289	10	c. p. 28 t. a w., Monticello and Drifton, 4.57 m.	28	45.31	207.06
123038	Vacant.	Seaboard Air Line Ry.	4.57	21	6	c. p. 6 t. a w., Vereen and Delph, 12.37 m.	6	42.75	528.81
123040	Monticello, Drifton.	Florida Central R. R. Co.	12.37						
123041	Vereen, Delph.								

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminal.	Corporate title of company.	Length of route.	Average weight of mail carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Annual rate of pay for transportation.
	FLORIDA—continued.		Miles.	Pounds.				Dollars.	Dollars.
123066	Palm Beach, West Palm Beach Junction (n. o.).	Florida East Coast Ry. Co.	1.16	518	15	c. p. 21 t. a. w. Palm Beach and West Palm Beach Junction (n. o.), 1.16 m.; restated, formerly a part of route 123016.	21	64.12	74.37
123067	Wilmarth, Luraville, Terra Ceia Junction (n. o.).	Florida Ry. Co.	4.15	24	12	c. p. 6 t. a. w. Wilmarth and Luraville, 4.15 m.	6	42.75	177.41
123068	Terra Ceia Junction (n. o.).	Seaboard Air Line Ry. Co.	5.57	20	21	spt. 20 by 9, 6 t. a. w., Terra Ceia Junction (n. o.) and Terra Ceia, 4.55 m.	6	42.75	238.11
123069	Vero Beach, Ft. Pierce Junction (n. o.).	Atlantic Coast Line Ry. Co.	20.01			Service on 123070, by agreement, to June 30, 1909.	6		855.42
123070	Saginaw, Plant City, Nichols, St. Marks Junction (n. o.).	Plant City, Arcadia and Gulf Ry. Co.	15.78			Agreement.	6		674.89
123072	St. Marks Junction (n. o.).	Tallahassee, Perry and Southeastern Ry. Co.	18.53			do.	6		792.15
	ALABAMA.								
124001	Vacant.								
124002	Montgomery, Selma...	Western Railway of Alabama.	45.21 2.45	2,002	24	{ spt. 15 by 9, 7 t. a. w., Montgomery and Selma, 47.66 m.; c. p. 7 t. a. w., Montgomery and Selma, 47.66 m.; lap service, Western Junction (n. o.) and Selma, 2.45 m. over route 124017.	14	{ 128.25 58.14 }	5,940.62
124003	West Point, Ga., Blanton, Ala.	Chattahoochee Valley Ry. Co.	47.66 14.14	127	13	c. p. 13 out, 12 in, West Point, Ga., and Blanton, Ala., 14.14 m.	12.50	42.75	604.48
124004	Montgomery, Ala., Artois, Miss.	Mobile and Ohio R. R. Co.	181.88	1,130	26	spt. 25 by 9, 7 t. a. w. Montgomery, Ala., and Tuscaloosa, 107.04 m.; c. p. 14 t. a. w., thence to Artois, Miss., 74.78 m.; c. p. 14 t. a. w., Columbus and Artois, 14.08 m.	10.96	90.63	16,483.78
124005	Chattanooga, Tenn., Memphis, Tenn.	Southern Ry. Co.	37.77 272.43 310.20	7,066	26.13	{ spt. 27 by 9 a. v. and 30 by 9 a. v. each 7 t. a. w. Chattanooga and Huntsville, 66.36 m.; 27 by 6 a. v. and 25 by 9, each 7 t. a. w., thence to Memphis, 213.84 m.; c. p. 6 out, 7 in, Moscow and Memphis, 39.49 m.; lap service, Chattanooga, Tenn., and Stevenson, Ala., 37.77 m. over route 127004.	19.65	71.47 191.80	54,815.27
124006	Akron, Marion Junction.	do.	53.09	647	18	spt. 20 by 9, 7 t. a. w. Akron and Marion Junction, 53 m.; c. p. 7 t. a. w., Akron and Marion Junction, 53.09 m.	14	70.11	3,722.13
124007	Columbus, Ga., Birmingham, Ala.	Central of Georgia Ry. Co.	159.21	1,710	26	spt. 25 by 9, 14 t. a. w., Columbus, Ga., and Birmingham, Ala., 157.57 m.	14	115.42	18,876.01

124008	Columbus, Ga., Andalusia, Ala.	do.....	84.87 54.18 139.05	718 23	(apt. 25 by 9, 14 t. a. w., Columbus, Ga., and Andalusia, Ala., 138.47 m.; land grant, Columbus, Ga., and Troy, Ala., 84.87 m.)	14	{ 88.14 72.67 }	8,871.60
124009	Selma, York.....	Southern Ry. Co.	76.52	1,903 25	apt. 20 by 9 and 25 by 9, each 14 t. a. w., Selma and Marion Junction, 12.80 m.; 20 by 9 and 25 by 9, each 7 t. a. w., thence to York, 63.70 m.; c. p. 7 t. a. w., Selma and Marion Junction, 12.80 m.	17.51	{ 123.97 }	9,466.18
124010	Rome, Ga., Selma, Ala.	do.....	2.30 48.20 145.80	1,491 28	(apt. 25 by 9 and 12 by 9, each 7 t. a. w., Rome, Ga., and Childersburg, Ala., 105.50 m.; 25 by 9, 7 t. a. w., thence to Wilton, 36 m.; 25 by 9 and 20 by 9, each 7 t. a. w., thence to Selma, Ala., 54.80 m.; lap service Rome and Atlanta Junction (n. o.), Ga., 2.30 m., over route 121103; land grant, Jacksonville, Fla., and Selma, Ala., 145.80 m.)	{ 12.71 71 }	{ 14.62 104.02 84.81 }	17,609.07
124011	Sheffield, Parrish.....	{ Northern Ry. Co. Alabama }	2.74 2.91 91.83	629 25	(apt. 15 by 9, 7 t. a. w., Sheffield and Parrish, 94.07 m.; lap service, Tusculumbia and M. and C. Junction (n. o.), 2.91 m., over route 124005.	7	{ 96.25 6.50 96.25 }	6,567.88
124012	Montgomery, Ala., New Orleans, La.	Louisville and Nashville R. R. Co.	118.81 199.26 318.07	26,164 32	(r. p. o. authorized, 1 half 1.40 ft., 1 half 1.50 ft., and 2 half 1.60 ft. cars, Montgomery, Ala., and New Orleans, La.; r. p. o. run, 60 by 9, 14 t. a. w., Montgomery, Ala., and New Orleans, La., 318.07 m.; apt. 30 by 9 and 16 by 9, each 7 t. a. w., and 25 by 9, 7 out, 0 in, Montgomery and Georgiana, Ala., 59.07 m.; 30 by 9, 7 t. a. w., 25 by 9, 7 out, 0 in, thence to Ocean Springs, Miss., 175.63 m.; 30 by 9, 7 t. a. w., 25 by 9, 7 out, 0 in, and 18 by 9, 6 t. a. w., thence to New Orleans, La., 83.37 m.; c. p. 0 out, 7 in, Montgomery and Flomaton, Ala., 118.81 m.; 7 out, 14 in, thence to Mobile, Ala., 59.54 m.; 0 out, 7 in, thence to New Orleans, La., 139.72 m.; land grant, Montgomery and Flomaton, 118.81 m.; r. p. o. pay, \$21,867.31 per annum, \$68.75 per m. for 318.07 m.		{ 308.24 363.43 }	113,434.65
124013	Elba Junction (n. o.), Elba.	Atlantic Coast Line R. R. Co.	37.37	392 24	apt. 14 by 9, 12 t. a. w., Elba Junction (n. o.) and Elba, 36.74 m.; c. p. 1 t. a. w., Elba Junction (n. o.) and Elba, 37.37 m.	13	{ 54.43 }	2,108.76
124014	Roanoke, Opelika.....	{ Central of Ry. Co. Georgia }	36.22 2.74 39.06	679 19	(apt. 10 by 6, 13 t. a. w., Roanoke and Opelika, 38.49 m.; lap service, Roanoke Junction (n. o.) and Opelika, 2.74 m., over route 121002.	13	{ 70.86 7.31 }	2,597.28
124015	Chattanooga, Tenn., Meridian, Miss.	Alabama Great Southern R. R. Co.	31.77 245.89 18.00 266.26	15,650 35	(r. p. o., authorized, 1 l. 40 ft. Chattanooga, Tenn., and Meridian, Miss.; r. p. o. run, 50 by 9, 7 t. a. w., Chattanooga, Tenn., and Meridian, Miss., 246.26 m.; apt. 50 by 9 and 30 by 9, each 7 t. a. w., Chattanooga, Tenn., and York, Ala., 269.30 m.; 50 by 9, 30 by 9, 25 by 9, and 20 by 9, each 7 t. a. w., thence to Meridian, Miss., 26.96 m.; c. p. 7 t. a. w., Birmingham, Ala., and Meridian, Miss., 133.73 m.; land grant, Georgia-Alabama state line (n. o.) and Alabama-Mississippi state line (n. o.), 245.89 m.; r. p. o. pay, \$7,400.50 per annum, \$25 per m. for 246.26 m.	35.90	{ 279.02 223.23 279.02 }	68,941.79
124016	North Birmingham (n. o.), Wilton.	Southern Ry. Co.	51.55	1,055 17	apt. 20 by 9, 7 t. a. w., North Birmingham (n. o.) and Wilton, 51.53 m.; restated.	7	{ 87.21 }	4,465.67
124017	Selma, Flomaton.....	Louisville and Nashville R. R. Co.	112.50	972 27	apt. 25 by 9, 7 t. a. w., Selma and Flomaton, 112.29 m.....	7	{ 83.79 }	9,426.37
124018	Dolomite, Wheeling Sta. (n. o.)	Woodward Iron Co.	4.03	48 10	c. p. 12 out, 13 in, Dolomite and Woodward, 1.92 m.; 20 t. a. w., thence to Wheeling (n. o.), 2.11 m.	16.42	{ 62.75 }	172.28
124019	Not adjusted.							
124020	Vacant.							

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average week-trips per	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay for transportation.
			Miles.	Pounds.						
124021	ALABAMA—continued.									
124021	Eufaula, Osark.....	Central of Georgia Ry. Co.	60.35	271	22	spt. 12 by 6, 7 t. a. w., Eufaula and Osark, 59.80 m.	7		Dollars.	2,857.65
124022	Seima, Myrtlewood....	Louisville and Nashville R. R. Co.	60.94	332	23	spt. 16 by 9, 7 t. a. w., Seima and Myrtlewood, 40.69 m.	7		52.15	3,178.02
124023	Vacant.	do.								
124024	Elmore, Wetumpka....	do.								
124025	Vacant.	do.								
124026	Tallassee, Milledge....	do.								
124027	Sprague, Luverne.....	Tallassee and Montgomery Ry. Co.	6.84	408	13	c. p. 13 t. a. w., Elmore and Wetumpka, 6.84 m.	13		57.28	391.79
124028	Yolande, Brookwood....	Atlantic Coast Line R. R. Co.	6.99	310	14	c. p. 21 t. a. w., Tallassee and Milledge, 6.99 m.	21		50.44	352.57
124029	Reform, Aliceville.....	Louisville and Nashville R. R. Co.	32.06	521	16	spt. 12 by 9, 13 t. a. w., Sprague and Luverne, 31.94 m.	13		64.98	2,084.55
124030	Talladega, Pell City....	Alabama, Tennessee and Northern R. R. Co.	8.21	88	12	c. p. 6 t. a. w., Yolande and Brookwood, 8.21 m.	6		42.75	350.97
124031	Nadawah, Camden....	Birmingham and Atlantic R. R. Co.	20.96	204	8	c. p. 7 t. a. w., Reform and Aliceville, 20.89 m.	7		42.75	893.04
124032	Elora, Gadsden.....	do.	23.22	269	23	c. p. 14 t. a. w., Talladega and Pell City, 23.22 m.	14		47.02	1,091.80
124033	Rome, Ga., Attalla, Ala.	Louisville and Nashville R. R. Co.	17.35	227	12	c. p. 12 t. a. w., Nadawah and Camden, 17.35 m.	12		44.46	771.38
124034	Marion Junction, Mobile.	Nashville, Chattanooga and St. Louis Ry.	99.95	456	16	spt. 19 by 9, 6 t. a. w., Elora, Tenn., and Gadsden, Ala., 99.68 m.; c. p. 6 out, 0 in, Elora, Tenn., and New Market, Ala., 9.29 m.; 12 out, 6 in, thence to Huntsville, 17.80 m.; and 6 t. a. w., Guntersville and Attalla, 30.68 m.	9.71		60.70	6,066.96
124035	Vacant.	do.								
124036	Birmingham, Cadena....	Southern Railway Co.	63.73	440	22	spt. 14 by 9, 7 t. a. w., Rome, Ga., and Attalla, Ala., 63.34 m.	7		59.85	3,814.24
		do.	148.23	1,271	23	spt. 23 by 9, 7 t. a. w., Marion Junction and Mobile, 148.20 m.	7		94.61	14,230.50
			3.20							
			181.42							
			184.62							
				942	24	spt. 16 by 9 and 23 by 9, each 7 t. a. w., Birmingham and Cadena, 184.33 m.; lap service, Birmingham and Boyles (n. o.), 3.20 m., over route 127008, which is land grant; route restated, covers routes 124054 and 124055.	14		{ 7.80 } { 82.93 }	15,070.12

129003	Meridian, Vicksburg..	(Alabama and Vicksburg Ry. Co.	{ 98.12 43.45 139.57 }	8,843	30	{ r. p. o. authorized, 11.40 ft., Meridian and Vicksburg; r. p. o. run, 50 by 6, 7 t. a. w., Meridian and Vicksburg, 139.57 m.; Sept. 30 by 9, 7 t. a. w., Meridian and Vicksburg, 139.57 m.; c. p. 7 t. a. w., Meridian and Vicksburg, 139.57 m.; land grant, Meridian and Jackson, 96.12 m.; r. p. o. pay \$3,498.25 per annum, \$25 per m. for 139.57 m.	21.00 { 187.99 200.98 }	26,270.82
129004	(Jackson, Tenn., Mobile, Ala.,	Mobile and Ohio R. R. Co.	{ 52.94 333.95 386.89 }	5,296	28	{ Sept. 35 by 9, 14 t. a. w., Jackson and Mobile, 386.05 m.; c. p. o. out, 6 in., Mobile and Chicago, 320.50 m.; land grant, Tennessee State Line (n. o.) and Mobile, 333.96 m.	14.28 { 173.43 138.74 }	55,513.60
129005	Birmingham, Ala., Greenville, Miss.	Southern Ry. Co.	291.13	2,238	26	Sept. 30 by 9, 7 t. a. w., 25 by 9, 14 t. a. w., Birmingham and North Birmingham, 2.40 m.; 30 by 9, 7 t. a. w., 25 by 9, 7 t. a. w., thence to Greenville, 287.64 m.; c. p. 7 out, Winona and Greenville, 58.16 m.	16.07	38,092.71
129006	Helena, Ark., Eaglenest, Miss.	Yazoo and Mississippi Valley R. R. Co.	21.57	272	8	c. p. 14 t. a. w., Helena and Lulu, 9.81 m.; 7 t. a. w., thence to Eaglenest, 12.08 m.	10.13	1,047.13
129007	Muldon, Aberdeen...	Mobile and Ohio R. R. Co.	9.28	222	14	c. p. 21 out, 14 in, Muldon and Aberdeen, 9.28 m.	17.50	413.03
129008	Middleton, Tenn., Mobile, Ala.	Mobile, Jackson and Kansas City R. R. Co.	367.83	868	20	Sept. 17 by 9, 7 t. a. w., Middleton and Louisville, 147.36 m.; 14 t. a. w., thence to Laurel, 108.37 m.; 17 by 9, and 30 by 9, each 7 t. a. w., thence to Mobile, 111.09 m.; route restated.	11.19	26,246.16
129009	Aberdeen, Aberdeen Junction (n. o.).	Illinois Central R. R. Co.	105.87	998	25	Sept. 15 by 9, 7 t. a. w., and 20 by 9, 7 t. a. w., Aberdeen and Aberdeen Junction, 105.47 m.	14	8,960.83
129010	Jackson, Natchez....	Yazoo and Mississippi Valley R. R. Co.	98.26	2,232	21	Sept. 25 by 9, 14 t. a. w., Jackson and Natchez, 97.97 m.; c. p. 20 out, Harrison and Natchez, 28 m.; 14 in, Natchez and Jackson, 98.26 m.	23.08	12,936.57
129011	Phillip Junction (n. o.), Minter City.	.....do.....	1.12	68	20	Sept. 25 by 9, 14 t. a. w., Phillip Junction (n. o.) and Minter City, 1.03 m.	14	47.88
129012	Vacant.	Gulf and Ship Island R. R. Co.	160.10	2,043	24	Sept. 20 by 9, 27 t. a. w., Jackson and Mendenhall, 31.52 m.; 14 t. a. w., thence to Moxie, 84.49 m.; 21 t. a. w.; thence to Gulfport 43.99 m.	18.48	20,532.83
129013	Jackson, Gulfport....	Mobile and Ohio R. R. Co.	11.52	337	15	c. p. 14 t. a. w., Artesia and Starkville, 11.52 m.	14	600.76
129014	Artesia, Starkville....	Yazoo and Mississippi Valley R. R. Co.	66.86	304	22	Sept. 12 by 6, 7 t. a. w., Lake Cormorant and Tutwiler, 66.76 m.	7	3,315.58
129015	Lake Cormorant, Tutwiler.	New Orleans and North Eastern R. R. Co.	202.17	5,818	32	Sept. 25 by 9, 14 t. a. w., Meridian and New Orleans, 202.17 m.; c. p. 7 t. a. w., Meridian and New Orleans, 202.17 m.	21	86,212.09
129016	Meridian, Miss., New Orleans, La.	Yazoo and Mississippi Valley R. R. Co.	99.98	1,033	23	Sept. 25 by 6, 14 t. a. w., and 25 by 9, 7 t. a. w., Clarksdale and Parsons Junction (n. o.), 59.44 m.	21	5,144.73
129017	Clarksdale, Parsons Junction (n. o.).	.....do.....	457.35	4,093	28	Sept. 30 by 9, 7 t. a. w., 25 by 9, 14 t. a. w., 20 by 9, 7 in, Memphis and Coahoma, 63.18 m.; 30 by 9, and 25 by 9, each 7 t. a. w., thence to Cleveland, 49.91 m.; 30 by 9, 25 by 9, and 12 by 9, each 7 t. a. w., thence to Boyle, 2.76 m.; 30 by 9, and 25 by 9, each 7 t. a. w., thence to Leland, 22.26 m.; 30 by 9, 7 t. a. w., thence to Rolling Fork, 37.18 m.; 30 by 9, 7 t. a. w., 25 by 9, 14 t. a. w., thence to Vicksburg, 43.16 m.; 25 by 9, 14 t. a. w., thence to New Orleans, 235.90 m.; c. p. 6 out, 0 in, Clarksdale and Merigold, 30.42 m.; 0 t. a. w., thence to Leland, 32.60 m.; 6 t. a. w., thence to Vicksburg, 80.34 m.; 7 t. a. w., thence to Harrison, 49.45 m.; 0 t. a. w., thence to Slaughter, 78.22 m.; 7 out, 0 in, thence to New Orleans, 108.23 m.	18.46	71,960.30
129018	Vacant.	.....do.....	21.89	365	20	Sept. 25 by 9, 0 out, 7 in, Wilkinston and Leland, 7.23 m.; c. p. 21 t. a. w., Wilkinston and Leland, 7.39 m.; 7 t. a. w., thence to Tralake, 14.50 m.	12.90	1,173.99
129019	Memphis, Tenn., New Orleans, La.	.....do.....						
129020	Wilkinston, Tralake...	.....do.....	21.89	365				

126036	Hattiesburg, Brookhaven.	Mississippi Central R. R. Co.	83.51	288	24	apt. 20 by 9.7 t. a. w., Hattiesburg and Brookhaven, 83.30 m.; c. p. Hattiesburg and Brookhaven, 7 t. a. w., 83.51 m. Route restated covers routes 126039 and 126047.	14	46.73	4,009.44
126037	Mendenhall, Madi...	Gulf and Ship Island R. R. Co.	104.93	412	23	apt. 20 by 9.13 t. a. w., Mendenhall and Columbia, 56.92 m.; 7 t. a. w.; thence to Madi...	10.35	57.28	6,010.39
126038	Divide, Norfield.....	Natches, Columbia and Mobile R. R. Co.	24.69	67	16	c. p. 6 t. a. w., Divide and Ruth, 14.38 m.; 12 t. a. w., thence to Norfield, 10.31 m.	8.50	42.75	1,055.49
126039	Vacant.	Mobile and Ohio, R. R. Co.	38.35	301	19	c. p. 7 t. a. w., Okolona and Calhoun City, 38.35 m. Route restated covers 126034.	7	49.59	1,901.77
126040	Okolona, Calhoun City	Fernwood and Gulf R. R. Co.	20.64	126	15	c. p. 12 t. a. w., Tylertown and Fernwood, 20.64 m.	12	42.75	882.36
126041	Tylertown, Fernwood.	Brookhaven and Pearl River Ry. Co.	23.99	98	12	c. p. 6 t. a. w., Monticello and Brookhaven, 23.99 m.	6	42.75	1,025.57
126042	Monticello, Brookhaven.	Mobile, Jackson and Kansas City R. R. Co.	1.74	198	20	apt. 17 by 9.28 t. a. w., Decatur Junction (n. o.), and Decatur, 1.50 m.	28	42.75	74.38
126043	Decatur Junction (n. o.).	Vacant.							
126044	Vacant.	Vacant.							
126045	Vacant.	Vacant.							
126046	Vacant.	Vacant.							
126047	Vacant.	Vacant.							
126048	Silver City, Holly Bluff.	Yazoo and Mississippi Valley R. R. Co.	24.88	147	14	c. p. 7 t. a. w., Silver City and Holly Bluff, 24.88 m.	7	42.75	1,063.02
126049	Itta Bena, Belzona.....	Delta Southern Ry. Co.	27.02	62	13	c. p. 6 t. a. w., Itta Bena and Belzona, 27.02 m.	6	42.75	1,155.10
126050	Percy, Richey.....	Southern Ry. Co. in Mississippi.	10.78	34	12	c. p. 7 t. a. w., Percy and Richey, 10.78 m.	7	42.75	460.84
126051	Highlandale, Itta Bena.	.....do.....	13.51	74	10	c. p. 6 t. a. w., Highlandale and Itta Bena, 13.51 m.	6	42.75	577.55
126052	Beaumont, Hattiesburg.	Mobile, Jackson and Kansas City R. R. Co.	27.04	108	20	apt. 6 by 9.14 t. a. w., Beaumont and Hattiesburg, 26.90 m. Formerly part of route 124041.	14	42.75	1,155.96
126053	Charleston, Philipp...	Yazoo and Mississippi Valley R. R. Co.	27.05	47	10	c. p. 7 t. a. w., Charleston and Philipp, 27.05 m.	7	42.75	1,153.38
126054	Vacant.								
126055	Columbia Junction (n. o.), Miss., New Orleans, La.	New Orleans Great Northern R. R. Co.	68.82 34.70 103.52	510	22	(apt. 15 by 9.6 t. a. w., Columbia Junction (n. o.) and Florenville Junction (n. o.), 68.96 m.; 15 by 9.6 t. a. w., each, thence to New Orleans, 44.56 m.; c. p. 1 t. a. w., Florenville Junction (n. o.) and New Orleans, 44.56 m. Lap service, Sillidell and New Orleans, 34.70 m., over route 126016. Restated covers route 149031 and part of 149014.	9.01 { 64.12 4.87		4,081.71
127001	Coalmont, Cowan.....	Nashville, Chattanooga and St. Louis Ry.	26.99	311	20	apt. 30 by 9.7 t. a. w., Coalmont and Cowan, 26.82 m.; c. p. 0 out, 19 in, Coalmont and Tracy, 7.04 m.; 13 out, 19 in, thence to Cowan, 19.85 m. Restated covers route 127010.	21.29	50.44	1,356.83

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminal.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay for transportation.
127002	TENNESSEE—con. Bristol, Chattanooga.	Southern Ry. Co.	Miles. 241.83	Pounds. 18,734	27.51	r. p. o. authorized, 41.50 ft., and 13 1/4 ft. 40 ft., Bristol and Morristown; 41.50 ft., and 21 1/4 ft., Morristown and Knoxville; 41.50 ft., and 13 1/4 ft., Knoxville and Chattanooga; r. p. o. run 60 by 9, 14 t. a. w., Bristol and Morristown, 89 m.; 60 by 9, 14 t. a. w., 50 by 9, 7 t. a. w., thence to Knoxville, 41.80 m.; 60 by 9, 14 t. a. w., thence to Chattanooga, 110.75 m.; apt. 20 by 9, 7 t. a. w., Bristol and Morristown, 89 m.; 30 by 9 and 20 by 9, each 7 t. a. w., thence to Knoxville, 41.80 m.; 25 by 9, 7 t. a. w., thence to Ooltewah, 95.50 m.; 30 by 9, 14 t. a. w., and 25 by 9, 7 t. a. w., thence to Chattanooga, 15.25 m.; c. p. 7 t. a. w., Bristol and Knoxville, 131.08 m.; 6 t. a. w., thence to Chattanooga, 110.75 m. r. p. o. pay, \$14,028.31 per annum, \$33.75 per m. for 89 m.; \$78.75 per m. for 41.80 m., and \$33.75 per m. for 110.75 m.	29.63	\$309.89	\$74,940.69	
127003 127004	Rogersville, Bulls Gap. Nashville, Chattanooga.	.....do..... Nashville, Chattanooga and St. Louis Ry.	16.23 151.15	531 37,014	13.77 30	c. p. 12 t. a. w., Rogersville and Bulls Gap, 16.23 m., and 3 1/2 ft. 40 ft., Nashville and Chattanooga; r. p. o. run, 60 by 9, 21 t. a. w., and 50 by 9, 7 t. a. w., Nashville and Chattanooga, 151.15 m.; apt. 30 by 9, 14 t. a. w., Nashville, Tenn., and Bridgeport, Ala., 121.98 m.; 30 by 9, 14 t. a. w., and 25 by 9, 6 t. a. w., thence to Chattanooga, Tenn., 29.17 m. r. p. o. pay, \$17,760.12 per annum, \$17.50 per m. for 151.15 m.	12 36.15	64.98 406.90	1,054.62 74,955.28
127005	Bristol, Smalling.....	Holston Valley Ry. Co.	22.06	38	16.50	c. p. 6 t. a. w., Bristol and Smalling, 22.06 m. r. p. o. authorized, 41.50 ft., and 41 1/4 ft. 40 ft., Nashville, Tenn., and Montgomery, Ala. r. p. o. run, 50 by 9, 7 t. a. w., Nashville and Montgomery, 304.87 m.; apt. 30 by 9, 7 t. a. w., 17 by 9 (av.), 6 t. a. w., 25 by 9 (av.), 7 out, Nashville and Columbia, 45.97 m.; 30 by 9, 7 t. a. w., 17 by 9 (av.), 6 t. a. w., thence to Birmingham, 161.49 m.; 30 by 9, 7 t. a. w., 16 by 9, and 15 by 9, each 6 t. a. w., thence to Tusculum, 16.83 m.; 30 by 9, 7 t. a. w., 16 by 9, 6 t. a. w., thence to Montgomery, 80.59 m.; c. p. 6 t. a. w., Decatur and New Castle, 75.91 m.; 1 out, Birmingham and Montgomery, 97.41 m. Land grant, Decatur and Montgomery, 183.65 m. Lap service, Decatur Junction (n. o.) and Decatur, 1.66 m. over route 124005.	6	42.75	943.06	
127006	Nashville, Tenn., Montgomery, Ala.	Louisville and Nashville R. Co.	119.56 1.66 183.65 304.87	13,272	28.58	r. p. o. pay, \$8,765.01 per annum, \$28.75 per m. for 304.87 m.	22.51 254.66 134.83 203.72			86,084.12

127007	Nashville, Tenn., Hickman, Ky.	Nashville, Chattanooga and St. Louis Ry.	108.51	6,735	28.07	r. p. o. authorized, \$1.40 ft., Nashville and McKenzie, Tenn. (116.73 m.). r. p. o. run, 40 by 9, 7 t. a w., Nashville and Hickman, 108.49 m.; apt. 30 by 9, 7 t. a w., and 18 by 8 (av.), 6 t. a w., Nashville and Hickman, 108.49 m.; c. p. 13 out, 7 in, Nashville and Hickman, 41.48 m.; 7 t. a w., thence to Martin, 98.38 m. r. p. o. pay, \$1.49.12 per annum, \$12.50 per apt. for 116.73 m.	28.59	138.05	31,688.30
127008	Jellico, Knoxville.....	Southern Ry. Co.....	65.57	1,312	24.06	apt. 25 by 9, 6 t. a w., and 20 by 9, 7 t. a w., Jellico and Clinton, 44.44 m.; 25 by 9, 6 t. a w., 20 by 9 and 30 by 9, each 7 t. a w., thence to Knoxville, 20.56 m.; c. p. 7 t. a w., Clinton and Powell Station, 12.66 m.; 7 out, 8 in, thence to Knoxville, 8.20 m.	17.50	98.22	6,446.84
127009	Bristol (Union Sta.), Mountain City.	Virginia and Southwestern Ry. Co.	59.22	555	13.58	apt. 20 by 9, 6 t. a w., Bristol and Mountain City, 58.32 m.; c. p. 1 t. a w., Bristol and Mountain City, 59.22 m.	7	65.53	3,898.45
127010	Vacant.								
127011	Pikeville, Tenn., Bridgeport, Ala.	Nashville, Chattanooga and St. Louis Ry.	57.64	380	14.57	apt. 25 by 9 and 22 by 9, each 6 t. a w., Pikeville, Tenn., and Bridgeport, Ala., 36.86 m.; c. p. 13 out, 12 in, South Pittsburgh, Tenn., and Bridgeport, Ala., 4.31 m.	13.04	55.57	3,203.05
127012	Tullahoma, Clifty.....	do.....	80.83	784	15.58	apt. 20 by 9 and 19 by 9 (av.), each 6 t. a w., Tullahoma and Sparta, 60.41 m.; c. p. 12 out, 0 in, Tullahoma and McMinnville, 34.25 m.; 6 out, 0 in, thence to Sparta, 20.21 m., 12 t. a w., thence to Clifty 20.37 m. Re-stated, covers route 127028.	15.50	78.09	6,150.35
127013	Knoxville, Walland....	Southern Ry. Co.....	28.38	472	20.19	apt. 15 by 9, 18 t. a w., Knoxville and Maryville, 16 m.; 12 t. a w., thence to Walland, 10.21 m.; c. p. 1 out, Knoxville and Maryville, 16 m.	15.94	61.56	1,623.95
127014	Columbia, Dechard....	Nashville, Chattanooga and St. Louis Ry.	88.90	643	19.90	apt. 21 by 9, 6 t. a w., Columbia and Fayetteville, 47.52 m.; 21 by 9 and 25 by 9, each t. a w., thence to Dechard, 38.83 m.; c. p. 6 t. a w., Columbia and Winchester, 83.74 m.; 12 out, 6 in, thence to Dechard, 31.6 m.	14.79	70.11	6,092.55
127015	Dickson, Allens Creek.....	do.....	62.96	753	16.72	apt. 23 by 9, 6 t. a w., and 20 by 9, 7 out, 6 in, Dickson and Centerville, 35.18 m.; 23 by 9, 6 t. a w., thence to Allens Creek, 30.53 m.	9.33	74.38	4,682.96
127016	Columbia, Tenn., Sheffield, Ala.	Louisville and Nashville R. R. Co.	85.18	770	24.86	apt. 23 by 9 (av.), 7 t. a w., Columbia, Tenn., and Sheffield, Ala., 84.32 m.; c. p. 12 t. a w., Columbia and Mount Pleasant, Tenn., 11.89 m.; 6 t. a w., thence to Florence, Ala., 68.04 m.	13.46	75.24	6,408.94
127017	Cranberry, N. C., Johnson City, Tenn.	East Tennessee and Western North Carolina R. R. Co.	34.32	444	14.62	apt. 10 by 7, 6 t. a w., Cranberry and Johnson City, 34 m.; c. p. 6 t. a w., Cranberry and Elizabethton, 24.60 m.; 6 out, 12 in, thence to Johnson City, 8.72 m. Re-stated.	12.84	59.85	2,054.05
127018	Moscow, Somerville, Watras, Shelbyville.	Southern Ry. Co.....	39.47	280	17.83	c. p. 24 out, 18 in, Watras and Shelbyville, 8.33 m.	6	42.75	576.69
127019	Morristown, Corryton.	do.....	30.57	3,019	21.79	apt. 15 by 9, 6 t. a w., Morristown and Corryton, 39.30 m.; c. p. 1 t. a w., Morristown and Corryton, 39.47 m.	21	64.98	541.28
127020	Hartman Junction (n. o.), Clinton.	Louisville and Nashville R. R. Co.	31.96	117	13.39	apt. 30 by 9, 7 t. a w., Hartman Junction (n. o.) and Clinton, 30.44 m.; c. p. 7 t. a w., Hartman Junction (n. o.) and Clinton, 30.57 m.	7	47.88	1,889.82
127021	Gracey, Ky., Princeton Junction (n. o.), Tenn.	Tennessee and Cumberland River R. R. Co.	15.02	296	8.38	c. p. 6 t. a w., Gracey, Ky., and Princeton Junction (n. o.), Tenn., 31.96 m. Re-stated.	6	42.75	1,365.86
127022	Bear Spring, Tennessee Ridges.	do.....				c. p. 6 t. a w., Bear Spring and Tennessee Ridges, 15.02 m.	6	49.59	744.94
127023	Gallatin, Tenn., Scottsville, Ky.	Louisville and Nashville R. R. Co.	38.61	328	12.25	apt. 11 by 9, 6 t. a w., Gallatin, Tenn., and Scottsville, Ky., 35.71 m.; c. p. 12 t. a w., Gallatin and Rogers, 9.59 m.; 6 t. a w., thence to Scottsville, 27.02 m.	13.57	51.30	1,878.09

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminl.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (seat and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Annual rate of pay for transportation.
			Miles.	Pounds.				Dollars.	Dollars.
127027	TENNESSEE—CON. Perryville, Lexington.	Nashville, Chattanooga and St. Louis Ry.	24.78	238	11.15	c. p. 7 t. a w., Perryville and Lexington, 24.78 m.	7	45.31	1,122.78
127028	Vacant.								
127029	Vacant.								
127030	Middlesboro, Ky., Knoxville, Tenn.	Southern Ry. Co.	{ 3.90 63.50 2.00 69.40 }	601	23.32	{ apt. 30 by 9, 6 t. a w., Middlesboro and Corryton, 51.21 m.; 12 t. a w., thence to Knoxville, 17.50 m., c. p. 1 in, Middlesboro and Arthur, 8 m.; 7 in, thence to Luttrell, 20.69 m.; 1 out, 7 in, thence to Coates, (n. o.), 10.80 m.; 1 t. a w., thence to Knoxville, 2 m. Reostated. Lap service, Middlesboro, Ky., and Cumberland Gap, Tenn., 3.90 m., over route 127007; Coates (n. o.) and Knoxville, Tenn., 2.00 m., over route 127002. c. p. 12 t. a w., Carthage and Bridges, 7.90 m.	{ 10.77 10.77 6.50 6.50 }	{ 6.50 68.40 6.50 }	{ 4,381.76 4,381.76 4,381.76 4,381.76 }
127031	Carthage, Bridges	Tennessee Central R. Co.	7.90	297	8		12	49.09	301.76
127032	Vacant.								
127033	De Rossett Junction (n. o.), Ravenscroft. Mentor, Jena (n. o.)...	Nashville, Chattanooga and St. Louis Ry. Louisville and Nashville R. R. Co. Tennessee Central R. Co.	2.23 18.93 106.07	32 1,048 2,137	12 24 23.51	c. p. 12 t. a w., De Rossett Junction (n. o.) and Ravenscroft, 2.23 m. apt. 15 by 9, 13 t. a w., Mentor and Jena (n. o.), 18.87 m. Reostated ...	12 13 19.07	42.75 87.21 129.96	96.33 1,650.88 21,862.45
127034	Hartman, Nashville..					apt. 30 by 9, 7 t. a w., Hartman and Monterey, 57.45 m.; 30 by 9, 7 t. a w., 12 by 6, 6 t. a w., thence to Nashville, 108.40 m.; c. p. 7 t. a w., Hartman and Lebanon, 134.07 m.; 13 t. a w., thence to Nashville, 32 m. c. p. 6 t. a w., State Line (n. o.) and Crandall, 8.52 m.	6	42.75	364.23
127035	State Line (n. o.), Crandall.	Beaver Dam R. R. Co.	8.52	44	8.50				
127036	Johnson City, Embreeville.	Southern Ry. Co.	{ 2.06 11.69 13.74 }	51	13.82	{ c. p. 6 t. a w., Johnson City and Embreeville, 13.74 m. Lap service, Johnson City and Embreeville Junction (n. o.), 2.06 m., over route 127002. c. p. 6 t. a w., Rogana (n. o.) and Hartsville, 11.97 m.	6 6 10	{ 0.81 42.75 42.75 }	{ 501.40 511.71 997.35 }
127037	Rogana (n. o.), Hartsville.	Louisville and Nashville R. R. Co.	11.97	60	23.56				
127038	Athens, Tellico Plains.	Tellico Ry. Co.	23.38	186	17.26	c. p. 13 out, 7 in, Athens and Tellico Plains, 23.38 m.			
127039	Vacant.								
127040	Vacant.								

127041	Hematite (n. o.), Trewell.	Louisville and Nashville R. Co.	30.65	176	9.30	apt. 12 by 9, 6 t. a. w., Hematite (n. o.) and Trewell, 30.59 m.	6	42.75	1,310.28
127042	Vanleer, Cumberland Furnace.	do.	6.11	82	14.40	apt. 12 by 9, 12 t. a. w., Vanleer and Cumberland Furnace, 6 m.	12	42.75	261.20
127043	Algood, Livingston.	Overton County R. R. Co.	17.65	267	13.21	c. p. 7 t. a. w., Algood and Livingston, 17.65 m.	7	47.02	828.90
127044	Tiptonville, Dyerburg.	Dyerburg Northern R. R. Co.	32.04	249	8.45	c. p. 6 t. a. w., Tiptonville and Dyerburg, 32.04 m.	6	46.17	1,479.28
127045	Townsend, Walland.	Little River R. R. Co.	8.31	85	16.60	c. p. 12 t. a. w., Townsend and Walland, 8.31 m.	12	42.75	355.25
127046	Hartman, Petros.	Hartman and North-eastern R. R. Co.	19.89	130	11.50	c. p. 13 t. a. w., Hartman and Petros, 10.59 m.	13	42.75	850.29
127047	Fayetteville, Tenn., Harvest, Ala.	Nashville, Chattanooga and St. Louis Ry.	30.56	130	14.51	c. p. 6 t. a. w., Fayetteville and Harvest, 30.56 m.	6	42.75	1,304.44
127048	Newport, Tenn., Mount Sterling, N. C.	Tennessee and North Carolina R. R. Co.	20.56	54	11.72	c. p. 6 t. a. w., Newport and Mount Sterling, 20.56 m.	6	42.75	878.94
127049	Vacant.	Tennessee Central R. R. Co.	85.06	699	26.87	apt. 25 by 9, 6 t. a. w., 24 by 9 (av.), 7 t. a. w., Nashville and Hopkinsville, 84.63 m.	13	71.82	6,110.44
127050	Nashville, Tenn., Hopkinsville, Ky.	Tennessee Ry. Co.	5.92	40	15.62	c. p. 6 t. a. w., Onida and Fogal, 5.92 m.	6	42.75	283.08
127051	Onida, Fogal.	Tennessee Central R. R. Co.	21.66	131	12.03	c. p. 12 t. a. w., Wilder and Monterey, 21.66 m. Restated covers route 127049.	12	42.75	926.82
127052	Wilder, Monterey.	do.							
127053	Vacant.	Louisville and Nashville R. Co.	59.99	1,337	33.00	apt. 15 by 9, 20 t. a. w., Knoxville and Menton, 12.18 m.; 7 t. a. w., thence to Jena (n. o.), 15.23 m.; 20 t. a. w., thence to Etowah, 32.46 m. Restated covers part of route 127034.	16.69	100.03	6,000.79
127054	Knoxville, Etowah.	do.	$\frac{2.66}{4.64}$ $\frac{12.37}{19.67}$	83	20.30	apt. 25 by 9, 6 t. a. w., Jellico and Fonda, 19.40 m. Lap service, Lot, Ky., and Holton (n. o.), Tenn., 4.64 m. over route 126054.	6	$\left\{ \begin{array}{l} 42.75 \\ 42.75 \end{array} \right.$	646.27
127055	Jellico, Tenn., Fonda, Ky.	Southern Ry. Co.							
KENTUCKY.									
128001	Elkton, Guthrie.	Louisville and Nashville R. Co.	12.09	311	19.17	c. p. 13 out, 19 in, Elkton and Guthrie, 12.09 m.	16.00	50.44	600.81
128002	Cincinnati, Ohio, Livingston, Ky.	do.	$\frac{151.54}{3.27}$	10,039	25.00	apt. 30 by 9, 14 t. a. w., 18 by 9, 6 t. a. w., Cincinnati and Estlin, 121.20 m.; 30 by 9, 14 t. a. w., thence to Livingston, 33.50 m.; c. p. 23 t. a. w., Cincinnati and Latonia, 3.97 m.; 6 out, 0 in, Winchester and Richmond, 22.19 m.; 12 out, 0 in, thence to Estlin, 2.56 m. Lap service: Sinks (n. o.) to Livingston, 3.27 m., over route 129007.	10.99	$\left\{ \begin{array}{l} 222.17 \\ 102.33 \end{array} \right.$	34,002.32
128003	Lexington, La Grange.	do.	$\frac{154.81}{67.30}$	1,368	27.63	apt. 18 by 9, 6 t. a. w.; 19 by 9, 6 t. a. w., Lexington and La Grange, 67.14 m.; c. p. 1 out, 0 in, Lexington and Frankfort, 28.87 m.; 6 t. a. w., thence to La Grange 38.43 m.	15.64	100.89	6,799.89

KENTUCKY.

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminal.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Dollars.	Annual rate of pay for transportation.
KENTUCKY—continued.											
129004	Cincinnati, Ohio, Nashville, Tenn.	Louisville and Nashville R. R. Co.	Miles. 298.75	Pounds. 33,714	30.00	r. p. o. authorized 1, and 2 half 1.60 ft., and 2 half 1.40 ft., Cincinnati and Bowling Green, 225.80 m.; 2 1/2 t. 60 ft., and 2 1/2 t. 40 ft., Bowling Green and Memphis Junction, 4.46 m.; 1, and 2 half 1.60 ft., and 2 half 1.40 ft., Memphis Junction and Edgfield, 57.39 m.; 1, and 2 half 1.60 ft., 2 1/2 t. 50 ft., and 2 half 1.40 ft., Edgfield and Nashville, 11.10 m.; r. p. o. run 60 by 9, 21 t. a w., Cincinnati and Bowling Green, 225.80 m.; 60 by 9, 23 t. a w., Cincinnati and Bowling Green, 225.80 m.; 40 by 9, 21 t. a w., 60 by 9, 7 t. a w., thence to Memphis Junction, 4.46 m.; 60 by 9, 21 t. a w., 60 by 9, 7 t. a w., thence to Edgfield Junction, 57.39 m.; 60 by 9, 21 t. a w., 60 by 9, 7 t. a w., 65 by 9, 7 t. a w., thence to Nashville, 11.10 m.; apt. 22 by 9, 7 t. a w., Cincinnati to La Grange, 83.30 m.; 22 by 9, 7 t. a w., 18 by 9, 6 t. a w., 19 by 9, 6 t. a w., thence to Louisville, 30.31 m.; 30 by 9, 14 t. a w., 18 by 9, 7 t. a w., 18 by 7, 6 t. a w., 16 by 9, 6 in, thence to Bardstown Junction, 20.75 m.; 30 by 9, 14 t. a w., 18 by 9, 7 t. a w., 16 by 9, 6 in, thence to Bowling Green, 83.87 m.; 18 by 9, 7 t. a w., 16 by 9, 6 in, thence to Memphis Junction, 4.46 m.; 18 by 9, 7 t. a w., 15 by 9, 6 t. a w., thence to Edgfield Junction, 57.39 m.; 30 by 9, 14 t. a w., 18 by 9, 7 t. a w., thence to Nashville, 11.10 m.; c. p. 6 out, 0 in, Cincinnati to Sulphur, 74.27 m.; 6 t. a w., thence to Anchorage, 24.14 m.; 19 t. a w., thence to East Louisville, 10.24 m.; 14 out, 8 in; Louisville and Bardstown Junction, 20.75 m.; 7 out, 1 in; thence to Lebanon Junction, 7.57 m.; 6 out, 0 in; thence to Elizabethtown, 12.72 m.; 12 t. a w., Gallatin and Nashville, 27.08 m.; r. p. o. pay \$32,346.70 per annum. \$105.00 per m. for 225.80 m., \$162.50 per m. for 4.46 m., \$105.00 per m. for 57.39 m., \$170.00 per m. for 11.10 m. apt. 20 by 9, 6 t. a w., Richardson and Peach Orchard, 2.90 m.	37.41	Dollars. 461.78	Dollars. 137,968.77		
129005	Richardson, Peach Orchard.	Chesapeake and Ohio Ry. Co.	2.93	65	13.92	apt. 18 by 7, 6 t. a w., Bardstown Junction and Springfield, 37.14 m.; c. p. 7 t. a w., Bardstown Junction and Springfield, 37.34 m.	6	42.75		125.25	
129006	Bardstown Junction, Springfield.	Louisville and Nashville R. R. Co.	37.34	663	17.37	apt. 30 by 9, 14 t. a w., 12 by 9, 6 t. a w., Lebanon Junction to Lebanon, 18 by 9, 6 t. a w., 30 by 9, 14 t. a w., thence to Stanford, 36.00 m.; 30 by 9, 14 t. a w., thence to Lexington, 34.81 m.; 30 by 9, 28 t. a w., thence to Corbin, 31.03 m.; 30 by 9, 14 t. a w., thence to Cumberland Gap, 47.54 m.; c. p. 1 t. a w., Lebanon Junction to Lebanon, 37.61 m.; 18 t. a w., Middleboro and Middleboro Junction, 1 m. Restated covering part of route 129007.	13	70.06		2,649.64	
129007	Lebanon Junction, Gap, Tenn.	.....do.....	189.33	5,286	23.52		17.82	173.43		32,835.50

129008	Memphis Junction, Ky., Memphis, Tenn.	.....do.....	202 30	15, 300	27.50	r. p. o. authorized, 1.60 ft., and 14 1/4 ft. Memphis Junction and Memphis, 262.06 m.; apt. 15 by 9, 6 t. a. w., Memphis Junction and Clarksville, 39.11 m.; 12 by 9, 6 t. a. w., thence to Hema- tite, 9.21 m.; 30 by 9, 7 t. a. w., Paris to Milan, 37.20 m.; 30 by 9, 7 t. a. w., 16 by 9, 6 t. a. w., thence to Memphis, 96.79 m.; c. p. 1 t. a. w., Memphis Junction and Guthrie, 46.08 m.; 7 out, 6 in, thence to Princeton Junc- tion, 10.84 m.; 13 out, 12 in, thence to Clarksville, 2.43 m.; 7 out, 6 in, McKenzie and Memphis, 116.86 m. r. p. o. pay \$15,068.45 per annum, \$7.50 per m. for 202.06 m.	22 31	276.78	72, 387.09
129009	Louisville, Fulton.....	Illinois Central R. R. Co.	270.14	7, 375	34.81	apt. 46 by 9, 14 t. a. w., 30 by 9, 7 t. a. w., Louisville and Fulton, 209.76 m.; c. p. 7 t. a. w., Louisville and Central City, 127.01 m.; 7 out, 6 in, Prince- ton and Paducah, 44.38 m. c. p. 12 t. a. w., Cecilian and Hodgenville, 17.27 m. c. p. 19 t. a. w., Glasgow Junction and Glasgow, 10.62 m.	24.86	194.55	52, 555.73
129010	Cecilian, Hodgenville.....	do	17.27	242	21.64	c. p. 13 t. a. w., Shelbyville and Anchorage, 19.48 m.	12	45.31	782.50
129011	Glasgow Junction,.....	Louisville and Nash- ville R. R. Co.	10.62	1,004	19.00	apt. 12 by 6, 6 t. a. w., Greenup and Webbville, 36.73 m.; c. p. 6 t. a. w., Grayson and Anding, 4.40 m.; 6 out, thence to Webbville, 8.73 m.	19	88.92	944.35
129012	Shelbyville, Anchorage.....	do	19.48	437	24.56	apt. 25 by 9, 6 t. a. w., 13 by 9, 6 t. a. w., Owensboro and Russellville, 71.66	7.42	58.99	1,149.12
129013	Greenup, Webbville.....	Eastern Ky. Co.	36.76	291	9.51	m.; c. p. 12 t. a. w., Russellville and Adairville, 12.92 m.	12	48.73	1,791.31
129014	Owensboro, Adairville.....	Louisville and Nash- ville R. R. Co.	84.58	895	10.29	apt. 19 by 9, 6 t. a. w., 18 by 9, 6 t. a. w., Maysville and Lexington, 68.89 m.; c. p. 7 out, 14 in, Maysville and Johnson Junction, 18.29 m.; 13 out, 14	25.66	80.37	6,797.69
129015	Maysville, Lexington.....	do	68.89	969	24.61	in, thence to Paris, 53.04 m.; 20 out, 13 in, thence to Lexington, 19.40 m.	21.62	83.79	5,772.29
129016	Ashland, Lexington.....	Chesapeake and Ohio Rwy. Co.	123.70	5,270	29.62	apt. 20 by 9, 20 t. a. w., Ashland and Lexington, 128.70 m.; c. p. 6 t. a. w., Mount Sterling and Lexington, 33.40 m.	19	173.43	21,453.29
129017	East Louisville (n. o.), Louisville (Water street depot), Brooks- ville, Elm Grove, Brook- ville.	Louisville and Nash- ville R. R. Co.	1.66	512	14.57	c. p. 19 t. a. w., East Louisville (n. o.) and Louisville (Water street depot), 1.06 m.	12	64.12	106.43
129018	Brooksville R. R. Co.....	Brooksville R. R. Co.	11.35	337	11.22	c. p. 12 t. a. w., Elmgrove and Brooksville, 11.35 m.	27	52.15	591.90
129019	Cincinnati, Flemings- burg, Southeast- ern R. R. Co.	Cincinnati, Flemings- burg, Southeast- ern R. R. Co.	5.72	490	13.44	c. p. 30 out, 24 in, Johnson Junction and Flemingsburg, 5.72 m.	25.07	63.27	361.90
129020	Cincinnati, Ohio, Chattanooga, Tenn.	Cincinnati, New Or- leans and Texas Pa- cific R. R. Co.	338.10	22,418	28.40	r. p. o. authorized, 2 half 1.40 ft., and 2 half 1.40 ft., Cincinnati and Chatte- noga; r. p. o. run 60 by 9, 14 t. a. w., 50 by 9, 0 out, 7 in, Cincinnati and Chattanooga, 338.10 m.; apt. 30 by 9, 6 t. a. w., Cincinnati and Dan- ville Junction, 113.30 m.; 30 by 9, 12 t. a. w.; 18 by 9, 6 t. a. w., thence to Danville 3.40 m.; 30 by 9, 6 t. a. w., thence to Morehead, 10.20 m.; 15 by 9, 6 t. a. w., 30 by 9, 7 t. a. w., thence to Harrison Junction, 3.90 m.; 15 by 9, 6 t. a. w., thence to Chattanooga, 79.80 m.; p. 7 out, 0 in, Cincinnati to Danville Junction, 113.30 m.; 13 out 6 in, thence to Dan- ville, 3.40 m.; 7 out, 0 in, thence to Oakdale, 137.70 m.; 14 out 7 in, thence to Harrison Junction, 3.90 m.; 7 out, 0 in, thence to Chatte- noga, 79.80 m. r. p. o. pay \$21,976.50 per annum, \$45 per m. for 338.10 m.	12	347.25	117,405.22
129021	Dixon, Blackford.....	Illinois Central R. R. Co.	18.87	317	18.01	c. p. 12 t. a. w., Dixon and Blackford, 18.87 m.	6	50.44	951.80
129022	Mount Sterling, Robt- son, Ky.	Chesapeake and Ohio R. R. Co.	19.93	135	10.28	c. p. 6 t. a. w., Mount Sterling and Rothwell, 19.93 m.	12	42.75	832.00
129023	Louisville, Prospect.....	Louisville R. R. Co.	12.35	113	15.24	c. p. 12 t. a. w., Louisville and Prospect, 12.35 m.	12	42.75	827.96
129024	Lebanon, Greensburg.....	Louisville and Nash- ville R. R. Co.	31.69	887	15.65	apt. 15 by 9, 6 t. a. w., 12 by 9, 6 t. a. w., Lebanon and Greensburg, 31.30 m.; c. p. 1 t. a. w., Lebanon and Campbellsville, 19.63 m.	12.61	80.37	2,546.92

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminus.	Corporate title of company.	Length of route. Miles.	Average weight of mails carried over entire route per day. Pounds.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average clips per week.	Pay per mile per annum for transportation. Dollars.	Annual rate of pay for transportation. Dollars.
KENTUCKY—continued.									
129025	Huntington, W. Va., Cincinnati, Ohio.	Chesapeake and Ohio Ry. Co.	161.36	27,150	30.54	r. p. o. authorized, 11.60 ft., 11.50 ft., and 11.40 ft., Huntington and Cincinnati; r. p. o. run, 60 by 9, 14 out, 21 in, Huntington and Cincinnati, 101.02 m.; apt. 30 by 9, 6 out, 7 in, Huntington and Catlettsburg, 10.32 m.; 30 by 9, 6 out, 7 in, 20 by 6, 1 a w., thence to Ashland, 5.30 m.; 30 by 9, 6 out, 7 in, thence to Cincinnati, 143.70 m.; c. p. 0 out, 6 in, Huntington and Catlettsburg, 10.36 m.; 7 out, 13 in, thence to Ashland, 5.30 m.; 6 out, 6 in, thence to Sharon, 90.40 m.; 6 t. a w., thence to Bradford, 17.20 m.; 12 out, 6 in, thence to Cincinnati, 38.10 m.; r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	25.66	344.82	50,640.15
129026	Shelbyville, Bloom- field.	Louisville and Nash- ville R. R. Co.	27.60	434	20.72	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	13.50	58.99	1,628.12
129027	Catlettsburg, Frause.	Chesapeake and Ohio Ry. Co.	128.83	1,085	23.37	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	11.71	88.92	11,455.56
129028	Canal City, Jackson.	Ohio and Kentucky Ry. Co.	27.54	496	14.08	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	12.50	63.27	1,742.45
129029	Georgetown, Ver- sailles.	Southern Ry. Co. in Kentucky.	17.89	57	10.42	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	42.75	764.79	
129030	Estill, Rowland.	Louisville and Nash- ville R. R. Co.	31.20	633	17.67	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	70.11	2,187.43	
129031	Madisonville, Provi- dence.	.....do.....	16.59	351	16.57	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	53.01	879.43	
129032	Lexington, Louisville.	Chesapeake and Ohio Ry. Co.	10 34.82 8.35 19.12 2.45 10 84.74	4,968	31.44	r. p. o. pay \$13,082.57 per annum, \$81.25 per m. for 161.02 m. apt. 7 by 9, 6 t. a w., 11 by 9, 6 t. a w., Shelbyville and Bloomfield, 26.08 m.; c. p. 2 out, 1 in, Shelbyville and Bloomfield, 27.60 m.; apt. 30 by 9, 6 t. a w., Catlettsburg and Pikeville, 106.10 m.; c. p. 7 t. a w., Catlettsburg and Pikeville, 106.10 m.; 6 t. a w., thence to Frause, 23.63 m. Residing covering routes 129048 and 129053. c. p. 12 by 7, 12 t. a w., Canal City and Jackson, 26.70 m.; c. p. 0 out, 1 in, Canal City and Jackson, 27.07 m. c. p. 12 t. a w., Georgetown and Versailles, 17.59 m.	170.14 182.10 170.14 116.07 151.17 170.14	10,061.61	

129033	(Cairo, Ill., Jackson, Tenn.)	Mobile and Ohio R. R. Co.	6 4.05 3.10 98.80 116.69	6,936 30	apt. 35 by 9, 14 t. a. w., Cairo and Jackson, 115.85 m.; Lap service Cairo Junction (n. o.), and East Cairo (n. o.), 4.05 m.; Wickliffe and Welford, 3.10 m. over route 129052.	14 190.49 70.67 190.49 70.67 190.49	21,371.55
129034	(Evansville, Ind., Hopkinsville, Ky.)	Illinois Central R. R. Co.	12.40 119.96 132.38	1,631	apt. 25 by 9, 7 t. a. w., 25 by 9, and 24 by 9, 7 t. a. w., Evansville and Princeton, 100.54 m.; 25 by 9, and 24 by 9, 7 t. a. w., 25 by 9, 6 t. a. w., thence to Hopkinsville, 31.69 m.; c. p. 13 out in Evansville and Morganfield, 35.64 m.; 7 out, 14 in, Princeton and Hopkinsville, 31.84 m. Lap service Evansville and Henderson, 12.40 m. over route 129059.	18.84 15.43 107.75	13,116.77
129035	Morganfield, Uniontown.	do.	7.30	182	c. p. 12 t. a. w., Morganfield and Uniontown, 7.30 m.	12	312.07
129036	Glasgow Junction, Mammoth Cave.	Mammoth Cave R. R. Co.	8.87	65	c. p. 6 t. a. w., Glasgow Junction and Mammoth Cave, 8.87 m.	6	379.19
129037	Waco, Wilton.	Louisville and Nashville R. R. Co.	4.07	50	c. p. 7 t. a. w., Woodline and Wilton, 4.07 m.	7	173.99
129038	Lexington, Louisville.	Southern Ry. Co. in Kentucky.	87.30	1,894	apt. 25 by 9, 7 t. a. w., 18 by 9, 6 t. a. w., Lexington and Lawrenceburg, 24 m.; 25 by 9, 7 t. a. w., 30 by 9, 7 t. a. w., thence to Louisville, 63.30 m.; c. p. 0 out, 1 in, Lexington and Lawrenceburg, 24 m.; 7 t. a. w., thence to Louisville, 63.30 m.	18.83	10,748.37
129040	(Louisville, Ky., Evansville, Ind.)	(Louisville, Henderson and St. Louis Ry. Co.)	143.10 12.37 155.47	3,370	apt. 21 by 9, 14 t. a. w., Louisville and Evansville, 155.47 m.; c. p. 7 t. a. w., Louisville to Owensboro, 113.56 m.; 13 t. a. w., thence to Stanley, 9.38 m.; 7 t. a. w., thence to Evansville, 24.53 m. Lap service, Henderson to Evansville, 12.37 m., over route 129039.	21.36 147.06 34.12	21,466.34
129041	Frankfort, Paris.	Frankfort and Cincinnati Ry. Co.	42.42	228	apt. 12 by 7, 6 t. a. w., Frankfort and Paris, 41.58 m.; c. p. 6 t. a. w., Frankfort and Paris, 42 m.	12	1,885.90
129042	Owensboro, Horsebranch.	Illinois Central R. R. Co.	41.90	445	apt. 13 by 7, 6 t. a. w., Owensboro and Horsebranch, 41.90 m.	13	2,507.71
129043	Lawrenceburg, C. S. Junction (n. o.).	Southern Ry. Co. in Kentucky.	27.18	1,406	apt. 30 by 9, 7 t. a. w., 18 by 9, 6 t. a. w., Lawrenceburg and C. S. Junction (n. o.), 26.30 m.; c. p. 7 t. a. w., Lawrenceburg and C. S. Junction (n. o.), 27.18 m. Restated covering route 129040.	20	2,881.62
129044	Irvington, Fordville.	Louisville, Henderson and St. Louis Ry. Co.	30.76	283	apt. 10 by 7, 6 t. a. w., Irvington and Fordville, 30.76 m.	12.60	1,903.70
129045	Lexington, Jackson.	Lexington and Eastern Ry. Co.	63.47	1,364	apt. 17 by 9, 6 t. a. w., 19 by 9, 6 t. a. w., Lexington and Jackson, 93 m.; c. p. 1 t. a. w., Lexington and Jackson, 93.47 m.	13	9,430.18
129046	Dempster Junction (n. o.), Falls of Rough.	Louisville, Henderson and St. Louis Ry. Co.	4.57	32	apt. by 7, 12 t. a. w., Dempster Junction (n. o.) and Falls of Rough, 4.43 m.	12	198.36
129047	Paducah, Ky., Memphis, Tenn.	Nashville, Chattanooga and St. Louis Ry.	229.19	1,138	apt. 22 by 9, 7 t. a. w., 24 by 9, 6 t. a. w., Paducah and Memphis, 229.19 m.	13	20,771.48
129048	Vacant.	Cedars R. R. Co.	11.20	301	c. p. 12 t. a. w., Grassy and Cedar, 10.81 m.	12	555.40
129049	Grassy, Cedar.	Louisville and Atlantic R. R. Co.	101.47	337	apt. 16 by 9, and 10 by 9, 6 t. a. w., Versailles and Broome, 101.10 m.; c. p. 6 t. a. w., Valley View and Beattyville, 69.90 m. Restated covering route 129048.	10.13	5,465.17
129051	Garrison, Carter.	Chesapeake and Ohio R. R. Co.	20.04	97	c. p. 6 t. a. w., Garrison and Carter, 20.04 m.	6	856.71

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and terminal.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Dollars.	Annual rate of pay for transportation.
KENTUCKY—continued.										
129052	Calto, Ill., Memphis, Tenn.	Illinois Central R. R. Co.	Miles. 170.59	20,194	30	r. p. o. authorized; 1 l. 60 ft., 14 l. 50 ft., between Calto and Memphis; r. p. o. run 6 by 9, 14 t. a. w., Calto and Memphis, 170.59 m., apt. 25 by 9, 7 t. a. w., Fulton and Memphis, 120.82 m.; c. p. 21 out, 14 in, Calto and Fulton, 40.77 m.; 14 t. a. w., thence to Memphis, 120.82 m.; r. p. o. pay \$11,728.06 per annum, \$68.75 per m. for 170.59 m.	33.97	Dollars. 324.51	\$6,388.16	
129053	Vacant.	Louisville and Nashville R. R. Co.	105.02	6,317	26.20	apt. 30 by 9, 14 t. a. w., Corbin and Knoxville, 104.91 m.; c. p. 6 t. a. w., Corbin and Williamsburg, 17.78 m.; 6 out, thence to Saxton, 8.55 m.; 18 out, 12 in, thence to Kewick Junction, 1.74 m.; 6 out, thence to La Follette, 23.73 m.; and 6 t. a. w., thence to Knoxville, 52.92 m. Re-stated covering part of route 129007, Corbin to Saxton.	19.21	183.99	19,322.62	
129055	Stearns, Yamacraw secy.	Kentucky and Tennessee Ky. Louisville and Nashville R. R. Co.	7.75	37	5.87	c. p. 6 t. a. w., Stearns and Yamacraw, 7.75 m.	6	42.75	331.31	
129056	Kewick (n. o.), Halsey.	Louisville and Nashville R. R. Co.	4.45	30	7.69	c. p. 12 t. a. w., Kewick (n. o.) and Halsey, 4.45 m.	12	42.75	190.23	
129057	Paducah, Ky., Calto Junction (n. o.), Ill.	Illinois Central R. R. Co.	33.79 4.05 37.84	679	29.10	c. p. 14 t. a. w., Paducah and Calto Junction (n. o.), 37.84 m. Lap service, East Calto (n. o.) and Calto Junction (n. o.), 4.05 m., over routes 129033 and 129052.	14	70.96 7.31	2,427.33	
129058	Vacant.	Louisville and Nashville R. R. Co.	147.16	37,263	28.45	r. p. o. authorized, 21.50 ft., Evansville and Edgeland; r. p. o. run 50 by 9, 7 t. a. w., 55 by 9, 7 t. a. w., Evansville and Edgeland, 147.13 m.; apt. 30 by 9, 14 t. a. w., 11 by 9, 6 t. a. w., Evansville and Madisonville, 40.73 m.; 30 by 9, 14 t. a. w., 11 by 9, 12 t. a. w., thence to Edgeland, 4.20 m.; 30 by 9, 14 t. a. w., thence to Edgeland, 93.20 m.; c. p. 6 t. a. w., Hopkinsville and Trenton, 16.30 m. r. p. o. pay \$9,563.45 per annum, \$65 per m. for 147.13 m.	31.03	498.33	73,384.24	
129060	Vacant.	Carrollton and Worthville R. R. Co.	10.41	212	16	c. p. 19 t. a. w., Carrollton and Worthville, 10.41 m.	19	43.60	453.87	
129061	Middlesboro Junction (n. o.), Ky.; Marring, Tenn.	Louisville and Nashville R. R. Co.	8.10	123	10.23	c. p. 18 t. a. w., Middlesboro Junction (n. o.) and Stony Fork Junction (n. o.), 2.85 m. 12 t. a. w., thence to Marring, 5.25 m.	14.11	42.75	346.27	

129063	Stony Fork Junction (n. o.), Logmont.	.....do.....	6.64	32	18	c. p. 6 t. a. w., Stony Fork Junction (n. o.) and Logmont, 6.64 m.	6	42.75	283.86
129064	Artemus, Warren.	Cumberland R. R. Co.	8.37	51	10.38	c. p. 12 t. a. w., Artemus and Warren, 8.37 m.	12	42.75	357.81
129065	Regina, Heller.	Chesapeake and Ohio Ry. Co.	8.82	44	7.22	c. p. 6 t. a. w., Regina and Heller, 8.82 m.	6	42.75	377.05
129066	Campton, Campton Junction (n. o.).	Mountain Central Ry. Co.	12.67	116	6.44	c. p. 12 t. a. w., Campton and Campton Junction (n. o.), 12.67 m.	12	42.75	541.64
129067	Saxton, Ky., Jellico Tenn.	Louisville and Nash- ville R. R. Co.	3.51	268	12.13	c. p. 20 t. a. w., Saxton and Jellico, 3.51 m. Formerly part of route 129007.	20	47.02	165.04
	PORTO RICO.								
179001	San Juan, Ponce.	American R. R. Co. of Porto Rico.	173.29	1,138	10	apt. 25 by 6, 7 t. a. w., San Juan and Ponce, 173.29 m. Route restated covers 179002, 179003, 179004, 169005, and 179006. Agreement.	14	90.63	15,705.27
179002	Rio Piedras, Caguas.	Caguas Tramway Co.	18.15	.....	.....	.....	.....	.....	775.91
	OHIO.								
131049	Parkersburg, W. Va., Zanesville, Ohio.	Baltimore and Ohio R. R. Co.	88.33	1,361	24	apt. 16 by 9 and 25 by 9, each 6 t. a. w., Parkersburg and Zanesville, 88.33 m.; c. p. 20 t. a. w., Parkersburg and Marietta, 14 in. and 6 t. a. w., Marietta and Zanesville, 26.49 m. Route restated covers 131100. Weights taken for 105 days from Feb. 20, 1907.	16.96	100.89	8,911.61
131064	Sharpsburg Junction (n. o.), Sharpsburg. Co.	Marietta, Columbus and Cleveland R. R. Co.	3.50	53	21	apt. 7 by 8, 6 t. a. w., Sharpsburg Junction (n. o.) and Sharpsburg, 3.50 m. Weights taken for 105 days from Feb. 20, 1907.	6	42.75	146.62
131066	Marietta, Palos (n. o.).	.....do.....	44.52	309	21.60	apt. 7 by 8, 6 t. a. w., Marietta and Palos, 44.50 m.; c. p. 6 t. a. w., Marietta and Amesville, 32.52 m. Weights taken for 105 days from Feb. 20, 1907.	10.38	50.44	2,245.53
	INDIANA.								
133009	Westport, Terre Haute.	Southern Indiana Ry. Co.	148.07	775	26.60	apt. 20 by 9, 12 t. a. w., Seymour and Terre Haute, 121.80 m.; c. p. 6 t. a. w., Westport and Seymour, 26.37 m.; 7 out, 6 in, thence to Terre Haute, 121.80 m. Weights taken for 105 days from Feb. 20, 1907.	16.28	75.24	11,140.78
	ILLINOIS.								
135006	Rock Island, Granite City.	Chicago, Burlington and Quincy R. R. Co.	226.29 14.95 241.24	4489	23	r. p. o. authorized, 21.40 ft., Rock Island and Rio and Vermont and Granite City; r. p. o. run 40 by 9, 14 t. a. w., Rock Island and Rio, 42.23 m.; 0 out, 0 in, thence to Vermont, 69.04 m.; 40 by 9, 14 t. a. w., thence to Granite City, 128.65 m.; apt. 25 by 9, 12 by 8, each 6 t. a. w., Rock Island and Barstow, 11.41 m.; 25 by 9, 6 t. a. w., thence to Rio, 30.82 m.; 15 by 9, 7 t. a. w., 25 by 9, 6 in, thence to Monmouth, 21.49 m.; 15 by 9, 7 t. a. w., 25 by 9, 6 t. a. w., thence to Vermont, 48.45 m.; 25 by 9, 6 t. a. w., thence to Beardstown, 23.67 m.; 0 out, 0 in, thence to Granite City, 104.98 m.; c. p. 6 out, 0 in, Rock Island and Barstow, 11.41 m.; 0 out, 0 in, thence to Gerlaw, 45.84 m.; 6 out, 0 in, thence to Monmouth, 6.47 m.; 6 out, 0 in, thence to Walnut Grove, 23.20 m.; 0 out, 0 in, thence to Granite City, 154.32 m. Lap service East Alton and Granite City, 14.95 m., over route 131016. Restated, part omitted stated as route 135141, from July 1, 1907. r. p. o. pay \$8.544 per annum, \$50 per m. for 42.23 m., \$50 per m. for 128.65 m. Weights taken for 105 days from Feb. 20, 1907.	15.78	103.30 45.49	37,633.22

B.—Table showing readjustment of rates of pay per mile on railroad routes in section in which the quadrennial term expired June 30, 1908, etc.—Con.

No. of route.	State and termini.	Corporate title of company.	Length of route.	Average weight of mails carried over entire route per day.	Miles per hour.	Character and frequency of service, size, etc., of car or apartment (feet and inches); allowance for r. p. o. cars, and general remarks.	Average trips per week.	Pay per mile per annum for transportation.	Annual rate of pay for transportation.
			Miles.	Pounds.				Dollars.	Dollars.
135054	ILLINOIS—continued. Chicago, Ill., Marlon, Iowa.	Chicago & Milwaukee and St. Paul Ry. Co.	228.25	12,969	33	r. p. o. authorized, 21.50 ft., Chicago and Marlon; r. p. o. run 60 by 9, 7 t. a. w., Chicago and Marlon, via Green Island and Spragueville, 228.33 m., and 50 by 9, 6 t. a. w., Chicago and Marlon via Elk River Junction; Teeds, Miles, and Creston, 227.89 m.; apt. 23 by 9, 6 t. a. w., Chicago and Davis Junction, 80 m.; 0 out, 0 in, thence to Kirtledge (n. o.), 36.60 m.; 20 by 9 and 41 by 9, each 6 t. a. w., thence to Savanna, 21.60 m.; 20 by 9, 41 by 9, and 29 by 9, each 6 t. a. w., thence to Sabula, 2.70 m.; 0 out, 0 in, thence to Paralia, 79.18 m.; 21 by 9 and 50 by 9, each 6 t. a. w., thence to Marlon, 8.25 m.; c. p. 65 t. a. w., Chicago and Galewood, 8.90 m.; 47 out, 46 in, thence to Mont Clare, 70 m.; 41 out, 40 in, thence to Hensenville, 7.70 m.; 35 out, 21 in, thence to Elgin, 19.40 m.; 21 t. a. w., thence to Ashdale, 88.60 m.; 14 t. a. w., thence to Savanna, 12.60 m.; 26 t. a. w., thence to Sabula, 2.70 m.; 7 t. a. w., thence to Delman, 33.15 m.; 7 out, 14 in, thence to Oxford Junction, 19.27 m.; 13 out, 14 in, thence to Olin, 10.29 m.; 7 out, 14 in, thence to Marlon, 24.86 m. r. p. o. pay \$14.87.15 per annum, \$65 per m. for 228.11 m. Weights taken for 105 days from Feb. 20, 1907.	30.19	57,894.33	57,894.33
135093	Salem, Chester.....	Illinois Southern Ry. Co.	88.61	546	24	apt. 13 by 8, 7 t. a. w., Salem and Chester, 87.48 m.; c. p. 7 t. a. w., Salem and Evansville, 11.29 m. Weights taken for 105 days from Feb. 20, 1907.	12.63	65.53	5,893.19
135117	Macomb, Littleton.....	Macomb and Western Illinois Ry. Co.	19.45	171	12	c. p. 14 t. a. w., Macomb and Littleton, 19.45 m. Weights taken for 105 days from Feb. 20, 1907.	14	42.75	831.48
135140	Granite City, East St. Louis.	Wabash R. R. Co.....	5.44	21,667	.....	r. p. o. authorized, 24 t. 60 ft., Granite City and East St. Louis, r. p. o. run 60 by 9, 28 out, 7 in, Granite City and East St. Louis, 5.17 m.; apt. 20 by 9, 7 t. a. w., Granite City and East St. Louis, 5.17 m. New route from July 1, 1907. Formerly part of 131019. r. p. o. pay \$517 per annum, \$100 per m. for 5.17 m. Weights taken for 105 days from Feb. 20, 1907.	17.50	339.94	1,849.27
135145	Missouri Junction (n. o.), Ill., Sta. Genevieve, Mo.	Illinois Southern Ry. Co.	8.64	47	7	c. p. 7 t. a. w., Missouri Junction (n. o.) and Sta. Genevieve, 8.64 m. Weights taken for 105 days from Feb. 20, 1907.	7	42.75	360.36

137001	MICHIGAN. Toledo, Ohio, Detroit, Mich.	Lake Shore and Mich- igan Southern Ry. Co.	64.29	7,346	29.28	18.50	194.55	12,507.61
141033	MINNESOTA. St. Paul, Canadian boundary line, near Emerson.	Minneapolis, St. Paul and Sault Ste. Marie Ry. Co.	399.85	2,345	.....	.....	.....	7,845.55
141104	International bound- ary (n. o.), inter- national boundary (n. o.).	Canadian Northern Ry. Co.	43.72	97921.41		6	83.79	3,683.29
145002	MISSOURI. Ste. Genevieve, Bis- marck.	Illinois Southern Ry. Co.	41.27	466	26.38	14	61.56	2,540.58
145043	St. Louis (Union Sta- tion), Mo., Granite City, Ill.	St. Louis Merchants' Bridges Terminal Ry. Co.	10.23	124,834	19	91.21	1,346.29	13,772.54
145991	St. Louis (Union Sta- tion), Mo., Frankl- in.	Missouri, Kansas and Texas Ry. Co.	<div style="display: flex; align-items: center;"><div style="margin-right: 5px;"><div style="border: 1px solid black; padding: 2px;">26.92</div><div style="border: 1px solid black; padding: 2px;">162.43</div></div><div style="border: 1px solid black; padding: 2px;">189.35</div></div>	<div style="display: flex; align-items: center;"><div style="margin-right: 5px;"><div style="border: 1px solid black; padding: 2px;">2,148</div><div style="border: 1px solid black; padding: 2px;">27</div></div><div style="border: 1px solid black; padding: 2px;">2,175</div></div>	<div style="display: flex; align-items: center;"><div style="margin-right: 5px;"><div style="border: 1px solid black; padding: 2px;">21.83</div><div style="border: 1px solid black; padding: 2px;">129.86</div></div><div style="border: 1px solid black; padding: 2px;">151.69</div></div>	<div style="display: flex; align-items: center;"><div style="margin-right: 5px;"><div style="border: 1px solid black; padding: 2px;">21.83</div><div style="border: 1px solid black; padding: 2px;">129.86</div></div><div style="border: 1px solid black; padding: 2px;">151.69</div></div>	21,683.50	

C.—Statistics of mileage, increase in mileage, annual transportation, and cost of the railroad service from June 30, 1836, to June 30, 1908.

Date.	Length of routes.	Annual transportation.	Cost per annum.	Increase in length of routes.	Decrease in length of routes.
	Miles.	Miles.		Miles.	Miles.
June 30, 1836.		a 1,878,296			
June 30, 1837.	974	a 1,793,024	a \$307,444		
June 30, 1838.		a 2,356,852	a 494,123		
June 30, 1839.		a 3,390,055	a 520,602		
June 30, 1840.		a 3,886,053	a 585,353		
June 30, 1841.		a 3,946,450	a 585,843		
June 30, 1842.	3,091	a 4,424,262	432,508	2,117	
June 30, 1843.		a 5,692,402	a 733,687		
Nov. 4, 1843.	3,714	(a)	531,752	623	
June 30, 1844.		a 5,747,355	a 802,006		
June 30, 1845.		a 6,484,592	a 843,430		
Oct. 31, 1845.	4,092	(a)	587,769		
June 30, 1846.		a 7,781,828	a 870,570		
Nov. 1, 1846.	4,402		587,769	310	
June 30, 1847.		4,170,403	597,475		
Nov. 1, 1847.	4,735		597,923	333	
June 30, 1848.		4,327,400	584,192		
Oct. 1, 1848.	4,957		587,204	222	
June 30, 1849.	5,497	4,861,177	635,740	540	
June 30, 1850.	6,886	6,524,593	818,227	1,399	
June 30, 1851.	8,255	8,364,503	985,019	1,369	
June 30, 1852.	10,146	11,082,768	1,275,520	1,891	
June 30, 1853.	12,415	12,980,705	1,601,329	2,269	
June 30, 1854.	14,440	15,433,389	1,758,610	2,025	
June 30, 1855.	18,333	19,202,469	2,073,069	3,893	
June 30, 1856.	20,323	21,809,296	2,310,389	1,990	
June 30, 1857.	22,530	24,267,944	2,559,847	2,207	
June 30, 1858.	24,431	25,763,452	2,828,301	1,901	
June 30, 1859.	26,010	27,268,384	3,243,974	1,579	
June 30, 1860.	27,129	27,653,749	3,349,662	1,119	
May 31, 1861.	16,886	b 5,701,093	b 978,910		6,886
June 30, 1861.	22,018	23,116,823	2,543,709	1,775	
June 30, 1862.	21,338	22,777,219	2,498,115		680
June 30, 1863.	22,152	22,871,558	2,538,517	814	
June 30, 1864.	22,616	23,301,942	2,567,044	464	
June 30, 1865.	23,401	24,087,568	2,707,421	785	
June 30, 1866.	32,092	30,609,467	3,391,592	c 8,691	
June 30, 1867.	34,015	32,437,900	3,812,600	1,923	
June 30, 1868.	36,018	34,886,178	4,177,126	2,003	
June 30, 1869.	39,537	41,399,284	4,723,680	3,519	
June 30, 1870.	43,727	47,551,970	5,128,901	4,190	
June 30, 1871.	49,834	55,557,048	5,724,979	6,107	
June 30, 1872.	57,911	62,491,749	6,502,771	8,077	
June 30, 1873.	63,457	65,621,445	7,257,196	5,546	
June 30, 1874.	67,734	72,460,545	9,113,190	4,277	
June 30, 1875.	70,083	75,154,910	9,216,518	2,349	
June 30, 1876.	72,348	77,741,172	9,543,134	2,265	
June 30, 1877.	74,546	85,358,710	d 9,053,036	2,198	
June 30, 1878.	77,120	92,120,395	e 9,566,595	2,574	
June 30, 1879.	79,991	93,092,992	e 9,567,590	2,871	
June 30, 1880.	85,320	96,497,463	10,498,986	5,329	
June 30, 1881.	91,569	103,521,229	11,613,368	6,249	
June 30, 1882.	100,563	113,965,318	12,753,184	8,994	
June 30, 1883.	110,208	129,198,641	13,887,800	9,645	
June 30, 1884.	117,160	142,541,392	15,012,603	6,952	
June 30, 1885.	121,032	151,910,845	16,627,983	3,872	
June 30, 1886.	123,933	165,699,389	17,336,512	2,901	
June 30, 1887.	130,949	169,689,866	18,056,272	7,016	
June 30, 1888.	143,713	185,485,783	19,524,959	12,764	
June 30, 1889.	150,381	204,192,489	21,639,613	6,668	
June 30, 1890.	154,779	215,715,680	23,395,232	4,396	
June 30, 1891.	159,518	228,719,900	25,183,713	4,739	
June 30, 1892.	162,576	239,731,509	27,126,529	3,058	
June 30, 1893.	166,952	252,750,574	28,910,195	4,376	
June 30, 1894.	169,768	264,717,595	30,358,190	2,816	
June 30, 1895.	171,212	267,117,737	31,205,342	1,444	
June 30, 1896.	172,794	268,806,324	32,405,797	1,581	
June 30, 1897.	173,475	273,190,356	33,876,521	681	
June 30, 1898.	174,777	281,585,612	34,703,847	1,392	
June 30, 1899.	176,727	287,591,269	36,117,876	1,950	
June 30, 1900.	179,982	297,256,303	37,793,982	3,255	

a Railroad and steamboat service combined; no separate report.

b Decrease caused by the discontinuance of service in the Southern States.

c Increase attributable in part to the resumption of service in the Southern States.

d Decrease in cost caused by reduction in the rate of pay under act of July 12, 1876.

e Decrease in cost caused by reduction in the rate of pay under act of June 17, 1878.

C.—Statistics of mileage, increase in mileage, annual transportation, and cost of the railroad service from June 30, 1836, to June 30, 1908—Continued.

Date.	Length of routes.	Annual transportation.	Cost per annum.	Increase in length of routes.	Decrease in length of routes.
	<i>Miles.</i>	<i>Miles.</i>		<i>Miles.</i>	<i>Miles.</i>
June 30, 1901.....	183,359	302,613,325	\$38,519,624	3,377	.....
June 30, 1902.....	187,130	312,521,478	39,953,008	3,771	.....
June 30, 1903.....	192,852	333,491,684	41,880,949	5,722	.....
June 30, 1904.....	196,907	353,038,398	44,695,610	4,055	.....
June 30, 1905.....	200,965	362,645,731	45,576,515	4,058	.....
June 30, 1906.....	203,823	371,661,071	47,481,637	2,858	.....
June 30, 1907.....	207,237	387,557,165	51,008,111	3,414	.....
June 30, 1908.....	213,220	407,799,039	a 49,404,763	5,982	.....

a Decrease in cost caused by reduction in the rate of pay under act of March 2, 1907.

D.—Tables of weights of foreign mails, etc.

The following statement (1) shows the weights of the mails conveyed and the amount of compensation received by each of the different lines of steamers, as well as which are of United States and which of foreign register; and statement (2) shows the weights of foreign closed mails forwarded from the United States by the different lines of steamers and the compensation paid to each line for their conveyance.

1.—Statement showing the net weights of the United States mails conveyed by the steamers appointed to transport the mails to foreign countries, and the rate and amount of compensation paid therefor.

(1) Since October 1, 1907, steamers of United States register not under contract receive 80 cents per pound for letters and post cards and 8 cents per pound for other articles.

(2) Steamers of foreign register and all sailing vessels receive 4 francs per kilogram (about 35 cents per pound—2.205 pounds 1 kilogram) for letters and post cards and 50 centimes per kilogram (about 4½ cents per pound) for other articles.

TRANS-ATLANTIC SERVICE.

[The sailings are from New York except when otherwise stated.]

Name of line.	Letters.	Prints.	Compensation.
	<i>Grams.</i>	<i>Grams.</i>	
International Mercantile Marine Co., contract service a.	163,487,094	960,136,123	\$737,016.00
International Mercantile Marine Co., Red Star a.		1,605,165	283.16
International Mercantile Marine Co., Red Star b.		1,341,570	129.46
International Mercantile Marine Co., American from Philadelphia.	480	337,440	32.94
North German Lloyd b.	222,873,833	924,401,888	272,856.12
White Star b.	211,338,572	758,597,720	246,045.70
White Star from Boston b.	3,265,661	6,533,199	3,272.86
White Star b.		15,859,878	1,530.48
Cunard b.	142,887,117	353,094,155	147,804.40
Cunard from Boston b.	524,120	2,474,035	667.63
Cunard b.		5,147,242	496.71
Hamburg-American b.	50,079,471	228,449,704	64,629.13
Scandinavian-American b.		11,378,165	1,245.49
General Trans-Atlantic b c.	74,629,815	232,458,298	78,340.40
Compagnie Générale Trans-Atlantique from Porto Rico to France direct b c.	68,028	102,922	144.32
Insular Navigation b.	336,580	525,885	334.96
Compañía Trans-Atlántica Española from Porto Rico to Spain direct.	192,746	270,453	187.72
Puñilos Ezquerdo and Co. from Porto Rico to Spain direct b.	35,830	16,781	29.28
La Voicce from Porto Rico to Italy direct b c.	3,562	8,418	3.56
Total.....	860,722,900 = lbs. 1,917,739	3,502,789,030 = lbs. 7,723,639	1,555,050.32

a American register. b Foreign register. c Settled for in account of balances due foreign countries.

- 1.—Statement showing the net weights of the United States mails conveyed by the steamers appointed to transport the mails to foreign countries, and the rate and amount of compensation paid therefor—Continued.

TRANS-PACIFIC SERVICE.

STEAMERS OF UNITED STATES REGISTER.

[See note (1) at the head of this statement.]

Name of line.	Letters.		Prints.		Compensation.
	Grams.	Pounds.	Grams.	Pounds.	
Pacific Mail:					
San Francisco to Hongkong, via Hawaii and Japan.....	13,864,629	30,572	162,189,344	357,628	\$58,933.63
United States postal agency, Shanghai to San Francisco.....	714,671	1,576	2,791,572	6,155	2,043.73
Great Northern Steamship Co.:					
Seattle to Hongkong, via Japan.....	1,530,136	3,374	15,103,821	33,304	6,391.53
United States postal agency, Shanghai to Seattle.....	26,305	58	172,674	381	76.86
Boston Steamship Co., Seattle and Tacoma to Hongkong, via Japan.....	1,141,767	2,517	13,409,531	29,568	4,408.28
Oceanic, San Francisco to Tahiti and Marquesas Islands (contract).....	173,642	383	2,777,800	6,125	37,962.00
Total.....	17,451,150	38,480	196,444,742	433,161	109,876.08

MISCELLANEOUS SERVICE.

STEAMERS OF FOREIGN REGISTER.

[See note (2) at the head of this statement.]

- (1) Weights included in weights of Panama Railroad Steamship Company and paid to Great Britain.

Name of line.	Letters.		Prints.		Compensation.
	Grams.	Pounds.	Grams.	Pounds.	
Panama R. R. Steamship Line: New York to Central and South America.....	2,444,025	5,511,340	55,511,340	122,894,225	\$7,398.59
Atlas: New York to Haiti, Jamaica, Bahamas, etc.....	5,799,415	128,730	440,388	1,000.42	17,301.87
Hamburg-American: Porto Rico to Haiti, San Domingo, Cuba, and Venezuela.....	376,950	3,921,420	666.24	1,189,700	666.24
Royal Dutch West India Mail: New York to Haiti, West Indies, and Venezuela.....	326,580	43,302,145	6,495.06	22,882,708	4,029.77
Royal Dutch West India Mail: New York to Haiti, West Indies, etc.....	2,853,370	2,222,140	1,803,180	2,898.65	276.40
Royal Mail Steam Packet Co.: New York to Jamaica, West Indies, Panama, Colombia, and Venezuela.....	2,222,140	1,377,475	18,362,170	2,898.65	276.40
Quebec: New York to West Indies and Venezuela.....	1,377,475	132,630	3,073,230	515.10	276.40
Trinidad Shipping and Trading Co.: New York to West Indies and Venezuela.....	262,805	21,245	297,585	16,967.57	45.12
Red D: New York to Dutch West Indies and Venezuela.....	262,805	1,188,845	132,585,575	16,967.57	45.12
New York and Demerara: New York to Dutch West Indies.....	21,245	1,258,355	35,850,860	4,438.78	4,438.78
Earn: Philadelphia to West Indies.....	1,950,800	25,921,895	4,103.08	1,066,505	3,136.81
Lampport and Holt: New York to Brazil, Argentine Republic, Uruguay, and Paraguay.....	1,066,505	17,411,650	2,215.96	716,955	1,917.39
Prince: New York to Brazil, Argentine Republic, Uruguay, and Paraguay.....	1,950,800	161,145	1,593,560	803.29	803.29
Booth: New York to Brazil, Argentine Republic, Uruguay, and Paraguay.....	516,010	9,373,015	1,310.65	370,025	906.98
Barber: New York to Argentine Republic, Uruguay, and Paraguay.....	370,025	4,211,025	559.70	814,675	1,558.72
Hamburg-American: New York to Brazil, West Indies, British French, and Dutch Guiana.....	693,945	18,959,130	1,917.39	537,005	688.96
Brazilian: New York to Brazil, West Indies, British, French, and Dutch Guiana.....	716,955	18,959,130	1,917.39	537,005	688.96
Sloman's United States and Brazil: New York to Brazil.....	161,145	1,593,560	803.29	537,005	688.96
Norton: New York to Argentine Republic, Uruguay, and Paraguay.....	516,010	9,373,015	1,310.65	370,025	906.98
Houston: New York to Argentine Republic, Uruguay, and Paraguay.....	370,025	4,211,025	559.70	814,675	1,558.72
Howard Houlder Rowat & Co.: New York to Argentine Republic, Uruguay, and Paraguay.....	195,965	4,211,025	559.70	814,675	1,558.72
New York and Cuba: New York to Bahamas.....	814,675	2,843,490	688.96	537,005	688.96
Peninsular and Occidental: New York to Bahamas.....	537,005	2,843,490	688.96	537,005	688.96

^aSettled for in accounts due foreign countries.

1.—Statement showing the net weights of the United States mails conveyed by the steamers appointed to transport the mails to foreign countries, and the rate and amount of compensation paid therefor—Continued.

MISCELLANEOUS SERVICE—Continued.

STEAMERS OF FOREIGN REGISTER—continued.

Name of line.	Letters.	Prints.	Compensation.
	<i>Grams.</i>	<i>Grams.</i>	
Quebec: New York to Bermuda.....	2,404,970	18,215,165	\$3,681.44
Munson: Mobile to Cuba.....	714,189	6,737,623	1,240.64
Herrera: Porto Rico to Cuba and Haiti.....	302,108	917,732	881.41
Compagnie Générale Trans-Atlantique: Porto Rico to Cuba, San Domingo, Haiti, and West Indies.....	384,681	620,214	220.30
Compañía Trans-Atlántica Española: Porto Rico to Cuba, Mexico, Costa Rica, and Republic of Panama.....	92,032	184,598	93.78
Pinillos Yzquierdo & Co.: Porto Rico to Cuba.....	39,883	123,240	44.88
Sociedad Anónima de Navegación: Porto Rico to Cuba and San Domingo.....	49,068	55,871	44.35
Atlantic and Mexican Gulf: Mobile to Mexico.....	32,322	-----	25.70
Direct: New York to Mexico.....	625	4,875	1.07
United Fruit: New Orleans, Mobile, Colombia, Republic of Honduras, Panama, and Guatemala.....	7,154,904	134,548,126	18,808.85
United Fruit: New Orleans to British Honduras.....	1,999,023	11,420,981	1,024.28
Vaccaro Bros.: New Orleans to Republic of Honduras.....	336,429	5,763,350	839.44
Orr-Laubenthaler Co.: New Orleans to British Honduras.....	51,708	4,082	42.73
Oteri: New Orleans to Republic of Honduras.....	148,281	2,020,054	318.15
Hubbard Zemurray Co.: New Orleans to Republic of Honduras.....	117,444	1,738,353	258.42
Bluefields: New Orleans to Nicaragua.....	547,035	12,541,097	1,658.73
Camors McConnell Co.: Mobile to Panama.....	877,808	5,890,191	1,286.89
United Fruit: Boston to Jamaica and Costa Rica.....	80,325	6,434,035	981.93
United Fruit: New York to San Domingo.....	42,040	580,070	58.43
United Fruit: Philadelphia to San Domingo.....	365,325	6,334,630	914.82
United Fruit: Baltimore to San Domingo.....	17,565	320,645	44.50
Red Cross: New York to Newfoundland.....	5,320	2,418,635	324.20
Allen: Philadelphia to Newfoundland.....	180	70,506	9.47
Dominion Atlantic: Boston to Nova Scotia.....	6,975,217	32,004,385	7,104.95
Canada Atlantic and Plant: Boston to Nova Scotia.....	708,256	5,218,759	741.88
Kosmos: San Francisco to Central and South America.....	11,644	30,528	11.93
United Tyser: New York to Australia.....	-----	1,310,285	126.44
Pacific Steam Navigation.....	-----	-----	2,012.70
Total.....	82,869,712 =lbs. 116,578	822,462,218 =lbs. 1,813,529	121,676.88

=1 cent a letter compensation.

TRANS-PACIFIC SERVICE.

STEAMERS OF FOREIGN REGISTER.

[See note (2) at the head of this statement.]

	<i>Grams.</i>	<i>Grams.</i>	
Oriental: San Francisco to Hongkong via Hawaii and Japan.....	10,570,245	120,242,231	\$21,803.65
United States postal agency, Shanghai to San Francisco.....	661,719	2,267,047	857.34
Nippon Yusen Kabushiki Kaisha: Seattle to Hongkong via Japan.....	7,350,502	65,679,114	13,431.27
United States postal agency, Shanghai to Seattle.....	129,360	664,556	198.64
Seattle to Hongkong via Japan.....	1,763,282	15,001,115	2,801.12
Occidental and Oriental: San Francisco to Hongkong via Hawaii and Japan.....	4,148,188	47,911,008	8,104.14
United States postal agency, Shanghai to San Francisco.....	218,835	1,006,667	271.43
Ocean: Seattle to Hongkong via Japan.....	367,017	3,267,540	608.73
China Mutual Steam Navigation Co.: Seattle to Hongkong via Japan.....	13,010	66,469	16.46
Portland and Asiatic Steamship Co.: Portland to Japan.....	3,371	-----	2.60
Frank Waterhouse & Co.: Seattle to Japan.....	6,807	7,293	5.96
Australian Mail: San Francisco to Australasian colonies.....	4,960,961	110,826,538	14,710.59
Davis & Co.: Honolulu to Australia.....	3,176	9,076	3.94
Raeburn: Venezuela to Australia.....	2,722	13,163	3.90
Allen Line: Pago Pago to Apia.....	11,422	22,367	10.98
Manua Cooperating Co.: Pago Pago to Apia.....	3,543	4,932	3.21
Total.....	20,234,131 =lbs. 66,666	366,979,066 =lbs. 809,189	68,091.36

= Settled for in account of balances due foreign countries.

- 1.—*Statement showing the net weights of the United States mails conveyed by the steamers appointed to transport the mails to foreign countries, and the rate and amount of compensation paid therefor—Continued.*

MISCELLANEOUS SERVICE.

STEAMERS OF UNITED STATES REGISTER.

[See note (1) at the head of this statement.]

Name of line.	Letters.		Prints.		Compensation.
	Grams.	Pounds.	Grams.	Pounds.	
New York and Cuba Mail: New York to Cuba and Mexico contract.....	4,511,780	9,948	77,930,000	171,837	\$130,884.00
New York and Cuba Mail: New York to Cuba contract.....	534,815	1,179	9,742,260	21,481	71,062.00
New York and Cuba Mail: New York to Cuba.....	61,660	136	773,490	1,706	245.20
Southern Pacific: New Orleans to Cuba... Red D (Boulton Bliss & Dallett): New York to Porto Rico, Venezuela, and Dutch West Indies contract.....	278,640	614	1,472,883	3,248	875.37
Red D: New York to Maracaibo and Dutch West Indies contract.....	7,999,640	17,630	112,010,440	246,963	58,444.80
Red D: New York to Porto Rico, noncontract.....	1,464,145	3,238	30,357,845	66,930	44,142.80
Panama Railroad Steamship Line: New York to Colon.....	658,740	1,453	6,726,665	14,832	2,348.60
Clyde: New York to Haiti and Santo Domingo.....	21,321,425	47,014	472,491,008	1,041,842	126,385.07
American Mail: Boston, Philadelphia, and New York to Jamaica.....	2,071,535	4,568	22,661,070	49,968	8,429.95
Pacific Mail: San Francisco to Panama..... Pacific coast:	2,153,800	4,740	25,754,795	56,789	105,666.66
San Francisco to Mexico.....	466,576	1,029	4,706,399	10,378	1,946.94
San Francisco to British Columbia &.....	32,822	72	494,977	1,091	162.21
Total.....	25,126	55	87	.....	20.30
Total.....	41,580,604	91,684	765,122,635	1,687,094	550,584.40

* Compensation, 1 cent a letter.

- 2.—*Statement showing the net weights of the closed mails of foreign origin forwarded and the amounts paid by this Department to the steamers which conveyed them from the United States.*

TRANS-ATLANTIC SERVICE—NONCONTRACT.

[Compensation at the rate of 4 francs per kilogram for letters and post cards and 50 centimes per kilogram for other articles.]

Name of line.	Letters.		Prints.		Compensation.
	Grams.	Pounds.	Grams.	Pounds.	
White Star.....	66,490,220	145,820	227,181,934	501,820	\$76,425.81
North German Lloyd.....	50,977,537	112,210	178,752,299	393,820	58,705.40
Cunard.....	38,021,800	83,820	108,803,529	238,820	40,363.64
Hamburg-American.....	14,922,847	32,820	46,848,808	103,220	16,321.00
Total noncontract trans-Atlantic.....	170,382,404	372,650	561,536,570	1,235,660	192,345.85
	= lbs. 375,698		= lbs. 1,238,187		

2.—Statement showing the net weights of the closed mails of foreign origin forwarded and the amounts paid by this department to the steamers which conveyed them from the United States—Continued.

MISCELLANEOUS SERVICE—NONCONTRACT.

Name of line.	Letters.	Prints.	Compensation.
	<i>Grams.</i>	<i>Grams.</i>	
Panama Railroad Co. (Colon to Panama) ^a	6,256,659	203,386,825	\$39,156.36
Panama Railroad Steamship Line (New York to Colon)....	6,968,615	214,536,947	26,427.15
United Fruit Co. (New Orleans to Guatemala and Costa Rica).....	5,529,091	73,912,005	11,661.82
Hamburg-American (Atlas).....	1,484,580	61,015,945	7,105.50
Pacific Mail.....	1,167,729	18,369,335	2,732.90
Australian Mail Line.....	1,065,435	14,042,304	2,190.80
Oriental.....	876,107	13,858,404	2,182.78
Royal Mail Steam Packet Co.....	923,646	11,497,307	1,855.85
Nippon Yusen Kabushiki Kaisha ^b	626,076	12,560,673	1,816.28
Occidental and Oriental.....	586,074	6,009,387	1,071.78
New York and Cuba Mail (New York to Bahamas) ^b	425,035	5,985,903	928.23
United Fruit Co. (of British origin, New York to British Honduras) ^b	685,289	5,777,528	858.48
Great Northern.....	224,308	6,110,149	789.81
Nippon Yusen Kabushiki Kaisha (paid to the company)....	164,608	6,502,882	754.60
Dominion Atlantic Railway Co.....	186,659	5,740,603	712.27
Boston Steamship Co.....	154,000	3,287,268	436.11
Royal Dutch West India Mail ^b	80,467	3,724,710	423.26
United Fruit Co. (other than British, New Orleans to British Honduras).....	58,105	1,829,696	225.35
Lampport and Holt.....	74,568	1,526,890	204.90
Peninsular and Occidental (Miami to Bahamas).....	82,853	1,418,851	200.88
Red D.....	39,489	1,674,061	192.03
Clyde.....	3,700	1,739,210	170.70
Bluefields.....	18,826	1,041,910	115.08
Booth.....	27,158	693,160	91.18
Barber.....	34,555	465,185	71.57
Prince.....	20,710	428,350	57.33
United Fruit Co. (Philadelphia to Jamaica).....	3,550	475,430	48.93
Houston.....	12,285	197,975	28.59
Ocean.....	8,605	215,505	27.46
New York and Cuba Mail (New York to Bahamas, paid to the company).....	11,052	172,575	25.19
Norton.....	11,840	163,860	24.95
Brazilian.....	2,440	194,045	20.61
Quebec.....	4,300	152,405	18.02
Southern Pacific.....	3,930	133,253	16.36
Howard Houlder and Partners.....	3,705	70,720	9.69
Royal Dutch West India Mail (paid to the company).....		81,215	7.84
Trinidad Shipping and Trading Co.....		44,445	4.29
Total noncontract miscellaneous.....	21,569,390 —lbs. 47,560	475,651,071 —lbs. 1,048,811	102,661.93
Total noncontract service.....	191,951,594 —lbs. 423,253	1,037,187,141 —lbs. 2,286,998	265,007.78

^a The weights of the mails conveyed from Colon to Panama are included in those conveyed from New York to Colon.

^b Settled for in account of balances due foreign countries.

CONTRACT SERVICE.

[Conveyed by vessels under contract with this Department and without additional cost.]

International Mercantile Marine Co.....	17,945,122	61,296,360	.....
Red D.....	924,320	21,978,681	.....
New York and Cuba Mail (New York to Cuba).....	803,186	19,145,795	.....
American Mail.....	445,335	4,727,698	.....
Total contract service.....	20,117,963 —lbs. 44,360	107,148,524 —lbs. 236,262	.....
Aggregate.....	212,069,557 —lbs. 467,613	1,144,335,665 —lbs. 2,523,290	\$295,007.78

E.—Itemized statement of number, prices, and cost of all mail bags, and also the cost of wages, cotton canvas, etc., paid for during the fiscal year ended June 30, 1908, out of the appropriation for mail bags, etc.

	Size.	Number.	Price.	Itemized cost.	Aggregate cost.
Mail pouches, sacks, etc.:					
Canvas pouches with leather bottoms and soft heads.....	No. 2	^a 10,800	\$2.156	\$23,284.80	
Do.....	No. 3	^a 10,800	1.865	20,142.00	
Do.....	No. 4	1,341	1.6495	2,211.98	\$45,638.78
Horse mail bags.....	No. 1	1,000	3.9840		3,984.00
Through registered pouches.....	No. 1	3,000	5.1800	15,540.00	
Do.....	No. 2	3,000	4.0149	12,044.70	27,584.70
Inner registered sacks.....	No. 2	4,000	.7914	3,165.60	
Do.....	No. 3	^b 1,000	.6503	650.30	3,815.90
Catcher pouches.....		12,600	1.53		19,061.50
Sacks for second, third, and fourth class matter.....	No. 1	215,000	.735	158,025.00	
Do.....	No. 2	37,000	.586	21,682.00	
Do.....	No. 3	12,000	.3267	3,920.40	
Do.....	No. 1	1,955	.665	1,300.08	
Do.....	No. 2	313	.526	164.63	
Do.....	No. 3	17	.2767	4.70	185,096.81
Foreign canvas sacks.....	No. 0	3,170	.742	2,352.14	
Do.....	No. 1	14,918	.633	9,443.09	
Do.....	No. 2	2,520	.447	1,126.44	
Do.....	No. 0	26	.642	16.69	
Do.....	No. 1	144	.553	79.63	
Do.....	No. 2	20	.387	7.74	13,025.73
Foreign registered sacks.....	No. 0	2,167	.683	1,480.06	
Do.....	No. 1	1,450	.40	580.00	
Do.....	No. 0	4	.582	2.33	
Do.....	No. 1	3	.32	.96	2,063.35
Steel lockers.....		152			904.00
Pivot heating furnace with blower.....	No. 2				70.00
Parts for sewing machines.....					280.74
Steel for cord fasteners, label cases, etc..... pounds.		90,648			3,701.80
Brass for grommets, etc..... do.		12,531			3,083.08
Castings (link for soft-head pouches and dogs for cord fasteners)..... pounds.		13,996			1,190.46
Leather..... do.		5,167			2,002.51
Wire, charcoal iron, phosphor bronze, brass, etc.....					189.27
Ice..... pounds.		36,657			89.82
Laundry.....					22.47
Repairing pouches, sacks, etc.:					
Labor.....					117,474.38
Repairs made by postmasters and allowed by this office.....					95.50
Cord, thread, and twine.....					8,621.85
Beeswax.....					220.50
Malleable iron rings.....					177.43
Rivets and burrs.....					731.27
Cotton canvas, including remnants, for repairs.....					5,574.90
Traveling expenses and inspection for shop.....					394.50
Miscellaneous expenses for tools, stock, etc.....					389.80
Total.....					445,029.35
Unexpended balance.....					2,477.38
Appropriation, including the sum of \$6.73 transferred from appropriation for "Supplies," and the sum of \$2,500 deducted and transferred to appropriation for mail locks and keys.....					447,506.73

^a Ten per cent deducted from contract price for defective workmanship.

^b Ten per cent deducted from contract price on 1,415 catcher pouches for defective workmanship.

F.—Statement of expenditures out of the appropriation for mail locks and keys, chains, tools, and machinery, and for labor and material necessary for repairing same, and for incidental expenses pertaining thereto, during fiscal year ending June 30, 1908.

Articles purchased.	Cost.
Labor.....	\$35,826.26
Steel.....	414.61
Brass.....	767.41
Castings.....	1,879.03
Wire, brass, steel, charcoal iron, phosphor-bronze, etc.....	554.15
Acids.....	131.81
Tin and zinc.....	201.80
White cotton waste.....	22.17
Pyralin disks (20,000).....	680.00
Flat steel-spring key rings (5,000).....	25.00
Key blanks (4,590).....	50.95
Short safety-key chains (3,000).....	240.00
Electric motors.....	3,341.09
Inverting and changing motors for wall attachment.....	52.65
Erecting galvanized-iron pipe.....	96.00
Steel, tilting oblique tumbling barrel, complete.....	56.00
Wire inclosure for protecting keys.....	148.90
Laundry.....	7.48
Ice.....	29.86
Miscellaneous expenses for tools, stock, etc.....	678.14
Total.....	45,205.41
Unexpended balance of appropriation.....	2,703.90
Appropriation, including transfers from other appropriations.....	a 47,909.31

a The sum of \$2,909.31 transferred from other appropriations to that for mail locks and keys on account of work done by mail lock repair shop.

G.—Number of United States mail pouches and sacks in service June 30, 1908.

	In use July 1, 1906.	In use July 1, 1907.	Fur- nished under contract during year.	Made at shop.	Total.	Con- demned and re- tired from service.	In use July 1, 1908.
Pouches:							
No. 2.....	96,825	101,173	10,800	.....	111,973	8,376	103,597
No. 3.....	75,048	79,311	10,800	.....	90,111	5,947	84,164
No. 4.....	39,306	35,810	1,341	.....	37,151	4,279	32,872
No. 5.....	29,860	28,060	.....	.....	28,060	2,238	25,822
Through registered pouches:							
No. 1.....	5,536	8,461	3,000	.....	11,461	155	11,306
No. 2.....	7,309	10,069	3,000	.....	13,069	302	12,767
No. 3.....	2,076	1,790	.....	.....	1,790	424	1,366
Catcher pouches.....	52,888	54,609	12,600	.....	67,209	12,533	54,676
Horse mail bags:							
No. 1.....	2,369	1,926	1,000	.....	2,926	241	2,685
No. 2.....	3,491	2,686	.....	a 140	2,826	530	2,296
No. 3.....	809	537	.....	.....	537	249	288
Sacks for second, third, and fourth class matter:							
No. 1.....	934,005	1,088,564	216,955	.....	1,305,519	57,790	1,247,729
No. 2.....	155,890	178,509	37,313	.....	215,822	3,635	212,187
No. 3.....	95,253 ^a	104,612	12,017	.....	116,629	1,057	115,572
Domestic inner registered sacks:							
No. 1.....	57	57	.....	.....	57	.....	57
No. 2.....	8,321	11,393	4,000	.....	15,393	218	15,175
No. 3.....	3,984	4,452	1,000	.....	5,452	99	5,353
No. 4.....	760	742	.....	.....	742	13	729
Foreign canvas sacks:							
No. 0.....	9,536	11,559	3,196	.....	14,755	84	14,671
No. 1.....	52,048	62,869	15,062	.....	77,931	468	77,463
No. 2.....	21,590	23,772	2,540	.....	26,312	52	26,260
No. 3.....	11,577	11,529	.....	.....	11,529	.....	11,529
Foreign registered sacks:							
No. 0.....	15,378	16,373	2,171	.....	18,544	7	18,537
No. 1.....	21,965	23,956	1,453	.....	26,409	14	26,395
No. 2.....	3,838	3,831	.....	.....	3,831	1	3,830
No. 3.....	2,340	2,338	.....	.....	2,338	4	2,334

a Made from old leather

G.—Number of United States mail pouches and sacks in service June 30, 1908—Con.

	In use July 1, 1906.	In use July 1, 1907.	Fur- nished under contract during year.	Made at shop.	Total.	Con- demned and re- tired from service.	In use July 1, 1908.
Coin sacks.....	49,933	50,233	.....	.....	50,233	.....	50,233
Sea island sacks.....	14,962	14,962	.....	.....	14,962	.....	14,962
Knapsack pouches.....	36	36	.....	.....	36	.....	36
Sacks for letter boxes.....	110	110	.....	.....	110	1	109
Special sacks for Alaska.....	250	250	.....	.....	250	.....	250
Special pouches for Alaska.....	248	248	.....	.....	248	.....	248
Special "3A" pouches.....	252	206	.....	.....	206	.....	206
Special No. 3 sacks, strung.....	150	150	.....	.....	150	.....	150
Special R. M. S. waste sacks.....	20,409	19,461	.....	.....	19,461	613	18,838
Special R. M. S. canvas sacks for postal clerks.....	2,802	8,063	.....	.....	8,063	18	8,045
"Queen Bee" pouches.....	51	51	.....	.....	51	.....	51
Pneumatic tube pouches.....	817	836	.....	7	843	57	786
Special lock pouches.....	43	43	.....	.....	43	.....	43
R. M. S. collectors' satchels.....	100	100	.....	.....	100	.....	100
"Parcels-post" sacks:							
No. 0.....	100	280	.....	300	580	.....	580
No. 1.....	1,225	2,116	.....	1,025	3,141	.....	3,141
No. 2.....	200	200	.....	200	400	.....	400
"S. P." sacks.....	12,383	24,421	.....	5,000	29,421	26	29,395
Sea post sacks:							
No. 0.....	950	950	.....	.....	950	11	939
No. 1.....	600	600	.....	.....	600	.....	600
Domestic registered sacks.....	.....	.....	.....	550	550	.....	550
Total.....	1,757,659	1,992,283	338,248	7,222	2,337,753	99,462	2,238,291

REPORT
OF THE
THIRD ASSISTANT POSTMASTER-GENERAL
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

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REPORT
OF THE
THIRD ASSISTANT POSTMASTER-GENERAL
TO THE
POSTMASTER-GENERAL.

• **POST-OFFICE DEPARTMENT,**
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., October 14, 1908.

SIR: I have the honor to submit the report of the Third Assistant Postmaster-General for the fiscal year ended June 30, 1908.

The postal subjects within the jurisdiction of this office are the classification of domestic mail matter, including the determination of the admissibility of publications to the second-class rates, the hearing of cases involving the withdrawal of the second-class rates from a publication duly entered for nonobservance of the law under which entered, the use of penalty envelopes and the franking privilege, and the determination of questions involving the limit of weight of mail matter; the financial system, including the payment by warrant of accounts settled by the auditor, the designation of depositories for postal funds, the instruction of postmasters relative to the disposition of the postal revenue and the disposition of all moneys coming directly to the department; the supervision of the manufacture and issuance of postage stamps, stamp books, stamped envelopes, newspaper wrappers, and postal cards, the keeping of the accounts involved and the redemption of stamped paper; the money-order system, involving the supervision and management of the money-order service, both domestic and international, and the preparation of conventions for the exchange of money orders with foreign countries; the registry system, involving the supervision of the registered-mail service, the establishment and control of registered-pouch exchanges and instruction of postal officers relative thereto, and the consideration of claims for limited indemnity for lost registered mail matter.

REVISION OF ACCOUNTING METHODS.

In the annual report of this bureau for the fiscal year ended June 30, 1907, reference was made to the need for a better centralized system of statistical and financial bookkeeping for the department as a whole. The work incident to such revision logically fell to this office as the duly designated financial bureau of the Post-Office Department. The subject has been given considerable attention and much has been done along practicable lines, as will hereafter appear.

Prior to 1836 the Post-Office Department audited its own accounts. Conditions became so intolerable under the system that Postmaster-General Kendall and Secretary of the Treasury Woodbury sought a change, which was brought about by the establishment of the office of Auditor for the Post-Office Department, and all laws since that time have provided that all accounts under the jurisdiction of the Post-Office Department "shall be settled and adjusted in the Department of the Treasury."

Under these laws, and particularly under the construction originally given to the act of July 31, 1894, known as the "Dockery Act," the postal and money order accounts of postmasters are transmitted from postmasters direct to the auditor. This method of procedure, which is believed to be of doubtful validity, deprives the department of an opportunity of making an administrative review of the acts of its own fiscal agents and of analyzing its revenues and expenditures as correlated to each other as a guide to its administration as a public-service institution. The Auditor for the Post-Office Department, a treasury official, is, by the act named, the legal bookkeeper of the department, and the administration of the Post-Office Department is therefore compelled to seek from outside sources information which should of right be available from sources under its own control.

Section 14 of the act of July 31, 1894, provides that in all cases in which a claim (account) has not received an administrative examination it shall be examined by two clerks in the office of the auditor acting independently of each other. This requirement of existing law is complied with in the office of the Auditor for the Post-Office Department with respect to the accounts of the postal service. It is needless to say that more satisfactory results would be obtained if this duplication of work in the office of the auditor were dispensed with and the extra clerical force so employed could be made available to the Post-Office Department for the purpose of establishing and maintaining the administrative examination of accounts it so much needs, and which every other executive department has been enabled to have.

Without in any manner interfering with the necessary work of the auditor, the Post-Office Department should maintain comprehensive records and books of account covering the transactions of its own postmasters and agents, but should limit its work to an administrative review of its accounts and an analysis of cost as compared to correlated revenues. The basic principle of our fiscal system, that no officer having control over the expenditure of money shall have a voice in the settlement of the accounts thereby created, should be maintained.

It is not believed that postmasters' accounts for postal and money-order transactions should be merged. The integrity of trust funds should be maintained, and their use confined to the purpose of the trust. Once consolidated it might be impossible to segregate the accounts.

The department should receive credit for all service performed without compensation, and be charged with service rendered it by other departments, for the purpose of obtaining the true revenue and expense of the service.

With the benefits of previous accounting history and the necessity of confining innovations within the limitations of existing legislation, it was decided that the department might inaugurate a system of bookkeeping covering the fiscal operations of its postmasters and agents.

An accounting section to the Division of Finance was created by departmental order, as of July 1, 1908. This section maintains books of account based upon scientific double-entry or proof methods, showing the revenues and expenditures of the postal and money-order services, and all items of resource and liability relating thereto, by obtaining as far as practicable from administrative sources in the department all data within its knowledge, and recording the same tentatively pending the certification from the auditor of audited and settled accounts. Upon receipt of such settled accounts the tentative entries will be compared. If they agree they are made positive and finally recorded as such. If they disagree the individual differences and errors are brought to light and must be reconciled.

With the work thoroughly organized the scope of statistical information may be enlarged by making an analysis of expenditures and revenues in their relation to each other and as to the functions of a public-service institution.

Apart from the focalized accounting for the department as a unit, much detail work may be done in the various administrative divisions, the aggregated results serving as a basis of entries in the accounting section and at the same time furnishing data for internal administration.

Proof systems of accounting have been successfully installed during the year in the Division of Stamps at Washington; at the United States stamped-envelope agency at Dayton, Ohio; and at the stamped-envelope and postal-card subagency at St. Louis, Mo.

An earnest and concerted effort has been made to remedy the defects in the department's accounting methods within the limitations permitted by law. It is felt that a return to the system which existed prior to 1836, as has been suggested in part at least, would be unwise. The functions of an auditor should be to settle accounts, and the administrative officer should have no voice in such settlement. Review or reconciliation, or a "double check" on the factors contained in such settlements and the proper recording of such reconciled settlements is, however, an administrative necessity, if an analysis of expenditures and revenues in such manner as would produce statistical results applicable to administrative functions is to be secured.

DIVISION OF FINANCE.

The following financial statement shows the postal revenue, by sources, and the total actual expenditures for the fiscal year 1908:

Ordinary postal revenue, consisting of—

Sales of postage stamps, stamped envelopes, newspaper wrappers, and postal cards.....	\$178, 374, 712. 02
Second-class postage (pound rate) paid in money.....	6, 950, 506. 75
Receipts from box rents.....	3, 833, 303. 55
Third and fourth class postage paid in money	3, 033, 943. 45

Ordinary postal revenue, consisting of—Con.

Letter postage paid in money (made up principally of balances due from foreign administrations)-----	\$107,482.11
Fines and penalties-----	101,272.01
Miscellaneous receipts-----	93,985.68
Receipts from unclaimed dead letters---	36,644.06

Total ordinary postal revenue-----	187,531,849.63
Receipts from money-order business-----	3,677,755.44
Unpaid money orders more than 1 year old -----	269,058.34

Total receipts from all sources----- \$191,478,663.41

Expenditures:

Actual amount of expenditures for the service of the year ended June 30, 1908 (which includes all the expenditures made on account of the year up to three months after its close)-----	207,528,222.11
Expenditures during the year on account of previous years-----	823,664.04

208,351,886.15

Excess of expenditures over receipts----- 16,873,222.74

COMPARISON WITH PREVIOUS FISCAL YEAR.

The following comparisons of receipts, expenditures, and deficiencies with those of the previous year are presented:

Receipts:

Postal receipts for 1908, including amount derived from money-order business-----	\$191,478,663.41
Postal receipts for 1907, including amount derived from money-order business -----	\$183,585,005.57

Increase in postal receipts, including amount derived from money-order business, for 1908, as compared with 1907 -----	\$7,893,657.84
Per cent of increase-----	4.29

Postal receipts for 1908, excluding amount derived from money-order business -----	\$187,531,849.63
Postal receipts for 1907, excluding amount derived from money-order business -----	\$179,845,291.28

Increase in postal receipts, excluding amount derived from money-order business, for 1908, as compared with 1907 -----	\$7,686,558.35
Per cent of increase-----	4.27

Expenditures:

Total expenditures during 1908, including amount expended on account of previous years-----	\$208,351,886.15
Total expenditures during 1907, including amount expended on account of previous years-----	\$190,238,288.34

Increase in expenditures in 1908 over 1907-----	\$18,113,597.81
Per cent of increase-----	9.52

Deficiencies:

Excess of expenditures over receipts 1908-----	\$16,873,222.74
Excess of expenditures over receipts 1907-----	\$6,653,282.77

Increase in excess of expenditures over receipts 1908 over 1907 -----	\$10,219,939.97
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The outstanding liabilities at the close of the year, and the cost of transporting the mails over the subsidized Pacific railroads which have not yet settled their bonded accounts with the Government, amounting to \$742,647.22, are not included in the foregoing statement.

LOSSES BY BURGLARY, FIRE, BAD DEBTS, AND COMPROMISES.

During the year, in cases of loss by burglary and fire, where compromises with debtors were found to be necessary, and in others where outstanding debts could not be collected, the department suffered losses amounting altogether to \$37,056.25.

THE DEFICIT.

To the excess of expenditures over receipts, of \$16,873,222.74, there should be added the sum of \$37,056.25, in losses by burglary, fire, bad debts, etc., making the gross deficit \$16,910,278.99. While this deficit is the largest in the history of the Post-Office Department, it was for the most part anticipated, due to increases in salaries to postal employees authorized by Congress, effective July 1, 1907.

These increases in salaries, due to increased rate of pay to post-office clerks, letter carriers, rural delivery carriers, etc., for the fiscal year 1908 over the fiscal year 1907, as shown by the report of the auditor, amounted to \$9,891,321.92. But for these increases the deficit would have been \$7,018,957.07, or but \$326,925.60 in excess of the deficit of the previous year, notwithstanding the usual annual increase in receipts of over 9 per cent was not maintained. The increase of postal receipts of 1908 over 1907, as shown in the financial statement, was but \$7,893,657.84, or 4.29 per cent, while the increase of 1907 over 1906 was \$15,652,222.62, or 9.32 per cent.

Had the usual percentage of increase in receipts, as shown last year over the previous year, been maintained, there would have been an increase of revenue over 1907 of \$17,110,122.51, which added to the total revenue of 1907 would have amounted to \$200,695,128.08. Subtracting these figures from the expenditures on account of 1908, amounting to \$208,351,886.15, would leave a difference of \$7,656,758.07. Under normal conditions and without the increases in salaries above referred to there would have been a surplus of \$2,234,563.85 in the postal revenues for 1908.

FREE SERVICE PERFORMED BY THE POST-OFFICE DEPARTMENT.

The report covering the special weighings of the mails for the six months from July 1 to December 31, 1907 (H. Doc. 910), furnishes statistics upon which to base calculations approximately accurate as to the revenue which would have accrued to the Post-Office Department for the fiscal year 1908 if postage at the usual rates had been paid on all matter carried free in the mails for the public and for the other executive departments.

In the following table the volume of second-class matter delivered free in the county of publication is considered at the statutory rate of 1 cent per pound, and the departmental penalty matter and con-

gressional franked matter is rated as sealed or first-class matter, which it ordinarily is, at the known average rate per pound derived from first-class matter of \$0.8753. (See Table Y, H. Doc. 910.) The proportion of penalty matter chargeable to the postal service, estimated at 56.97 per cent, based on the report of the special six days weighing of the mails, December 18 to 24, 1907 (Table Za), is not included.

Class of matter.	Estimated weight.	Estimated postage.
	<i>Pounds.</i>	
Second-class matter.....	53, 156, 094	\$581, 560. 94
Franked matter.....	4, 555, 634	3, 987, 546. 44
Penalty matter.....	18, 644, 010	16, 862, 181. 96
Total.....	76, 355, 738	20, 881, 239. 33

It is not contended that the department is entitled to credit for this sum without a corresponding charge to it for gratuitous service it receives from other departments, notably reasonable annual rental for post-office quarters and equipment in government buildings provided by the Treasury Department, concerning which no figures are available, but the facts presented have statistical value nevertheless.

The Post-Office Department, in addition to the foregoing, carried for itself and for the postal service 24,683,924 pounds of mail matter usually first class, having a postal value, when so rated, of \$21,662,808.68.

Based on the cost of handling and transporting second-class mail matter of 8½ cents per pound (see p. 32), the Post-Office Department during the year 1908 gave to the people, through the publishers of newspapers and periodicals entered as second-class matter, approximately \$57,000,000 in uncompensated service, this amount being the cost of handling and transporting 746,357,282 pounds of second-class matter over and above the direct revenue derived therefrom.

POSTAL APPROPRIATIONS AND EXPENDITURES THEREUNDER.

Statement of the appropriations, expenditures, and balances unexpended on account of the postal service for the fiscal year ended June 30, 1908.

Service.	Appropriations.	Expended to Sept. 30, 1908.	Balance unexpended.
<i>Office of the Postmaster-General.</i>			
Advertising.....	\$5,000.00	\$4,456.64	\$543.36
Post-office inspectors.....	1,186,770.00	1,060,847.90	75,922.10
Rewards.....	20,000.00	1,938.84	18,061.16
Printing and binding opinions of Assistant Attorney-General.....	10,000.00		10,000.00
Miscellaneous items.....	1,000.00	228.86	771.65
<i>Office of the First Assistant Postmaster-General.</i>			
Compensation to postmasters.....	25,500,000.00	25,599,397.52	a 99,397.52
Compensation to assistant postmasters and clerks in post-offices.....	31,867,000.00	30,903,351.75	463,648.25
Rent, light, and fuel at first, second, and third class post-offices.....	3,229,000.00	3,193,820.94	35,179.06

* Expended in excess of appropriation, but by authority of law.

Statement of the appropriations, expenditures, etc.—Continued.

Service.	Appropriations.	Expended to Sept. 30, 1908.	Balance unexpended.
<i>Office of the First Assistant Postmaster-General—Cont'd.</i>			
Miscellaneous items at first and second class post-offices.	\$275,000.00	\$254,637.87	\$20,362.68
Canceling machines.	275,000.00	274,011.09	988.91
Assistant superintendents, division of salaries and allowances	34,600.00	30,747.03	3,852.97
City delivery service	26,914,300.00	26,843,201.19	571,098.81
Special delivery service	1,085,000.00	1,108,164.35	23,164.35
Miscellaneous items	1,000.00	689.96	310.06
<i>Office of the Second Assistant Postmaster-General.</i>			
Inland mail transportation, star routes	7,250,000.00	7,125,025.80	124,974.70
Inland mail transportation, steamboat routes	829,000.00	763,333.75	65,666.25
Mail messengers	1,427,000.00	1,416,300.19	10,699.81
Pneumatic tubes	1,250,000.00	482,812.62	767,187.38
Regulation screen wagon	1,321,000.00	1,319,017.18	1,982.82
Inland mail transportation, railroad	44,660,000.00	43,588,012.70	1,071,987.30
Freight on railroads	250,000.00	211,497.07	38,502.93
Railway post-office car service	5,080,000.00	4,567,366.25	512,633.75
Inland mail transportation, electric and cable cars	870,000.00	791,783.33	78,266.67
Mail bags	447,500.00	447,500.00	
Mail locks and keys	47,500.00	44,786.10	2,763.90
Rent and equipment of buildings for Post-Office Department	43,855.00	43,511.31	343.69
Railway Mail Service	17,749,843.00	17,373,336.92	376,506.08
Transportation of foreign mails	3,270,500.00	2,844,679.63	425,820.37
Balances due foreign countries	179,000.00	188,062.82	40,947.18
Miscellaneous items	1,080.00	806.58	194.42
<i>Office of the Third Assistant Postmaster-General.</i>			
Manufacture of postage stamps	509,000.00	494,046.04	14,953.96
Manufacture of stamped envelopes and newspaper wrappers	1,275,000.00	1,094,100.49	180,899.51
Distribution of stamped envelopes and newspaper wrappers	22,060.00	21,004.47	1,055.53
Manufacture of postal cards	214,000.00	180,152.98	33,847.02
Distribution of postal cards	5,720.00	5,716.59	3.41
Ship, steamboat, and way letters	500.00	124.76	375.24
Indemnities for losses by registered mail (first class)	10,000.00	1,461.67	8,538.33
Special counsel, suits second-class mailing privilege	2,787.68	2,783.38	4.30
Payment of money orders more than 1 year old	378,010.97	378,010.97	
Miscellaneous items	1,000.00	802.34	197.66
<i>Office of the Fourth Assistant Postmaster-General.</i>			
Stationery for postal and money-order service	95,000.00	94,069.75	940.25
Registered package, tag, official, and dead-letter envelopes	200,000.00	197,178.74	2,821.26
Blanks, etc., for money-order service	200,000.00	198,968.65	1,031.35
Blanks, blank books, etc., for registry system	6,000.00	3,030.81	1,969.19
Supplies, city delivery service	80,000.00	67,050.60	12,949.40
Postmarking, rating, and money-order stamps	35,000.00	34,979.79	20.21
Letter balances, scales, and test weights	10,000.00	7,814.85	2,185.15
Wrapping paper	13,000.00	10,141.03	2,858.97
Wrapping twine	800,000.00	280,378.09	19,621.91
Packing boxes, sawdust, paste, and hardware	2,500.00	2,500.00	
Printing facing slips, etc	60,000.00	42,746.36	17,253.64
Typewriters, copying presses, etc	80,000.00	78,699.74	1,300.26
Rural delivery service	34,985,000.00	34,355,209.04	629,790.96
Shipment of supplies	100,000.00	40,674.99	59,325.01
Distribution of official and registry envelopes	11,020.00	2,852.06	8,167.94
Miscellaneous items	1,000.00	520.30	479.70
Total	213,125,466.65	207,528,222.11	5,719,806.41

* Expended in excess of appropriation, but by authority of law.

TRANSACTIONS AT TREASURY DEPOSITORIES.

The account for the year shows the following receipts and disbursements at Treasury depositories, viz:

Amount of outstanding warrants June 30, 1907-----	\$1, 658, 617. 51
Balance on hand June 30, 1907-----	\$12, 633, 293. 75
Counter entry of deposit on account of previous year-----	1, 028. 26
	12, 632, 265. 49
Deposits:	
On account of postal revenue-----	66, 089, 872. 44
On account of grants from the General Treasury-----	13, 035, 430. 16
	79, 125, 302. 60
Total amount received during the year ended June 30, 1908-----	91, 757, 568. 09
Amount of warrants paid during the year ended June 30, 1908--	83, 159, 309. 69
Balance at depositories-----	8, 598, 258. 40
Amount of outstanding warrants June 30, 1908-----	1, 761, 442. 03
Balance subject to draft June 30, 1908-----	6, 836, 816. 87

COMPARISON OF DEPOSITS DURING 1908 WITH THOSE DURING 1907.

Grants from Treasury during 1908-----	\$13, 035, 430. 16
Grants from Treasury during 1907-----	7, 695, 998. 21
Increase in grants during 1908 over 1907-----	\$5, 339, 431. 95
Deposits during 1907-----	73, 346, 499. 95
Deposits during 1908-----	66, 089, 872. 44
Decrease in deposits during 1908 from 1907-----	\$7, 256, 627. 51
Per cent of decrease-----	9. 89
Total decrease in grants and deposits-----	\$1, 917, 195. 56
Per cent of total decrease-----	2. 36

The grants during 1907 and 1908, above stated, were on account of the fiscal years named and prior years also.

AMOUNTS DRAWN FROM THE TREASURY.

The following amounts were drawn from the General Treasury within the last fiscal year on account of special and deficiency appropriations, viz:

Deficiency in postal revenue:	
For 1903-----	\$26, 950. 00
For 1905 and previous years-----	8, 480. 16
For 1906-----	600, 000. 00
For 1907-----	1, 400, 000. 00
For 1908-----	11, 000, 000. 00
Total-----	13, 035, 430. 16

Grants from the General Treasury on account of deficiency in the postal revenue during the fiscal year ended June 30, 1907, and on account of that fiscal year only, aggregated \$6,000,000, while the grants on account of the fiscal year 1908 only were \$11,000,000.

COMPARISON OF DISBURSEMENTS BY WARRANTS ISSUED DURING 1908 WITH THOSE ISSUED DURING 1907.

Amount of warrants issued during 1908----- \$83,262,134.21
 Amount of warrants issued during 1907----- 79,722,880.55

Increase in amount of warrants issued during 1908 over
 1907----- \$3,539,253.66
 Per cent of increase----- 4.43

Of the \$79,125,302.60 deposited on account of postal revenue, \$31,877.06 came through national-bank depositories. The balance remaining in national-bank depositories at the close of the year was \$11,267.28.

Statement of receipts at and withdrawals from Treasury depositories during the fiscal year ended June 30, 1908.

RECEIPTS.

	Net deposits.	Transfer account.		Aggregate accumulation.
		To—	From—	
Treasurer United States, Washington, D. C.	\$7,035,430.16	\$2,532,195.14	\$5,400,000.00	\$10,878,956.94
Assistant treasurer United States:	1,311,331.64			
Baltimore, Md.	400,000.00	1,100,000.00	100,000.00	2,561,696.21
Boston, Mass.	1,061,696.21		2,700,000.00	5,048,024.68
Chicago, Ill.	5,048,024.68	1,300,000.00	3,000,000.00	16,714,382.55
Cincinnati, Ohio.	15,414,382.55	200,000.00	200,000.00	3,767,707.26
New Orleans, La.	3,567,707.26		1,800,000.00	2,663,921.15
New York, N. Y.	2,663,921.15	8,500,000.00	1,000,000.00	36,491,803.67
Philadelphia, Pa.	5,000,000.00	300,000.00	200,000.00	5,918,098.81
San Francisco, Cal.	22,991,803.67		1,800,000.00	3,614,640.58
St. Louis, Mo.	5,618,098.81	1,300,000.00		6,666,388.88
Designated national banks	3,614,640.58		32,196.14	31,877.06
Total	81,877.06	15,232,195.14	15,232,195.14	94,357,497.74

* Grants from the General Treasury on account of deficiency in the postal revenue.

WITHDRAWALS.

	Amount of warrants paid for 1908.	Balance on hand June 30, 1908.	Amount of warrants outstanding June 30, 1908.	Balance subject to draft June 30, 1908.
Treasurer United States, Washington, D. C.	\$3,687,459.81	\$2,066,213.19	\$1,178.01	\$2,065,085.18
Assistant treasurer United States:				
Baltimore, Md.	2,428,988.96	230,108.87	96,496.75	133,612.12
Boston, Mass.	2,729,812.23	380,968.91	19,179.59	361,789.32
Chicago, Ill.	14,678,897.57	2,041,721.11	146,826.90	1,594,894.21
Cincinnati, Ohio.	4,086,363.59	284,956.96	219,778.89	65,177.59
New Orleans, La.	1,964,363.50	530,818.37	65,623.68	265,184.74
New York, N. Y.	37,331,238.34	1,142,625.70	632,054.72	509,970.98
Philadelphia, Pa.	6,693,865.46	686,255.07	25,004.73	661,250.34
San Francisco, Cal.	2,715,422.78	614,938.25	306,585.06	309,408.20
St. Louis, Mo.	6,825,897.45	771,118.61	249,159.26	521,954.35
Designated national banks		11,267.28		11,267.28
Old accounts		37,277.06		37,277.06
Total	88,159,309.69	8,598,258.40	1,761,442.03	6,886,816.87

Balance on hand June 30, 1907----- \$12,633,293.75
 Counter entry receipt account of 1907----- 1,028.26

Receipts for fiscal year 1908----- 12,632,265.49
 ----- 79,125,302.60

Total----- 91,757,568.09
 Warrants paid for fiscal year 1908----- 83,159,309.69

Balance----- 8,598,258.40
 Warrants outstanding June 30, 1908----- 1,761,442.03

Net balance subject to warrant June 30, 1908----- 6,836,816.37

BALANCES BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES ON
POSTAL ACCOUNT PAID BY MEANS OF EXCHANGES.

The amount of the balances due the United States from foreign countries settled during the year was \$69,825.34, of which amount \$19,373.10 represented balances due this department from foreign countries on postal account, which were credited to the United States as remittances on money-order account and their equivalent in United States currency deposited with the assistant treasurer at New York, N. Y., to the credit of the postal revenue.

The amount of balances due foreign countries from the United States, as reported to this department by the Auditor for the Post-Office Department, and remitted by means of bills of exchange purchased through the postmaster at New York, N. Y., during the year was \$289,222.40.

REMITTANCES RECEIVED DURING THE YEAR.

The aggregate sum of \$271,442.01 was received from postmasters who erroneously remitted to this bureau balances due the Government; from collections made by the chief inspector on account of defaulting postmasters and the recovery of postal remittances lost in transit; from stamp collectors and others for the purchase of stamps, stamped envelopes, and for other purposes; by bills of exchange covering balances due from foreign postal administrations, and money received from the Fourth Assistant Postmaster-General found in dead letters for which no owners could be found and that realized from the auction sale of unclaimed articles accumulated in the Division of Dead Letters.

The disposition of the sums received was as follows:

Amount deposited with the Treasurer of the United States at Washington, D. C.....	\$206, 490. 34	
Amount deposited with the assistant treasurer of the United States at New York, N. Y.....	22, 528. 48	
Amounts otherwise properly disposed of.....	689. 51	
Amount returned to remitters.....	5, 014. 43	
Total		\$234, 722. 76
Dead-letter fund:		
Amount in current funds deposited in the Treasury at Washington, D. C.....	35, 920. 48	
Amount realized from the sale of foreign and uncurrent funds by the postmaster at New York, N. Y., and deposited with the assistant treasurer at New York, N. Y.....	780. 83	
Total amount deposited.....	36, 701. 31	
Amount of loss sustained in sale of uncurrent funds from counterfeit and mutilated minor coin, and deductions on account of light-weight gold	17. 94	
Total dead-letter fund.....		36, 719. 25
Total receipts from all sources.....		271, 442. 01

TREATMENT OF MONEY RECEIVED BY THE CHIEF INSPECTOR.

Under date of June 9, 1908, section 157 of the Postal Laws and Regulations was amended to read as follows:

All moneys received from mail robbers, or other offenders against the postal laws, and moneys recovered by suit, or otherwise, on account of moneys taken from the mail or losses therein, shall be forwarded at once to the chief inspector, who shall deposit the same daily with the superintendent, Division of Finance, office of the Third Assistant Postmaster-General.

The chief inspector shall determine, upon satisfactory evidence, the proper parties or owners to whom the moneys shall be restored, and the superintendent, Division of Finance, office of the Third Assistant Postmaster-General, shall make payments in accordance with the schedule furnished and approved by the chief inspector, under the authorization of the Postmaster-General.

Under this order, the superintendent, Division of Finance, on July 1, 1908, opened a disbursing account with the Treasurer of the United States, to which deposits have been made daily of moneys received from the chief inspector, and disbursements are made twice a month. The average amount received from the chief inspector approximates \$19,000 per month, and the average number of checks issued per month is 400. Formerly such money as could not otherwise be disposed of by post-office inspectors was forwarded to the chief inspector, who deposited the same in bank to his credit, payments being made by his personal check under an approved schedule of the Postmaster-General.

ADVANCES OF POSTAL FUNDS TO DISBURSING POSTMASTERS.

This bureau during the past fiscal year approved 268 requisitions representing monthly advances of postal funds to disbursing postmasters whose receipts were insufficient to meet the payment of salaries of employees of the postal service authorized to be paid from their offices. Warrants were issued to these officials in the sum of \$14,475,150.

The amounts advanced to disbursing postmasters by warrants from December, 1904, when this method was first introduced, to and including the fiscal year 1908, and the average amount so advanced each month, are shown as follows:

Year.	Amount.	Average amount per month.
1905 (last 7 months).....	\$5,434,650.00	\$776,378.89
1906.....	10,881,675.00	906,806.25
1907.....	11,802,100.00	983,508.33
1908.....	14,475,150.00	1,206,262.50

This is an increase of \$2,673,050 over the amount advanced to these postmasters during the fiscal year 1907, and is due mainly to the increase in the number and salaries of employees of the service and a decrease in receipts at some post-offices.

Prior to July 1, 1908, 27 disbursing postmasters were accustomed to make monthly requisitions for sums ranging from \$1,000 to \$180,000 in amount, to provide for the authorized expenses of their offices and

the payment of rural carriers in their States. Since that date only 12 of these disbursing postmasters have found it necessary to apply for advances for this purpose, and the additional deposits received from presidential postmasters have enabled them to materially reduce their requisitions. When the instructions of the department with regard to such deposits are fully understood and complied with, a further reduction in the amount of advances required by disbursing postmasters will result. These advances are now made by accountable warrants drawn on the Treasurer of the United States in favor of the assistant treasurer for credit to the disbursing account of the postmaster, a time-saving expedient.

**DESIGNATION OF DISBURSING POSTMASTERS AS DEPOSITARIES FOR THE
POSTAL FUNDS OF ALL POSTMASTERS.**

The act of July 1, 1884, authorized the Postmaster-General to designate postmasters at money-order post-offices as disbursing officers for the payment of the salaries of officers and employees of the postal service, and for such other payments from postal revenues as postmasters are now authorized to make.

Under this authority the department designated 50 disbursing postmasters for the purpose of paying the salaries of employees of the rural-delivery service in their respective States or Territories. These payments were made by checks drawn on the depositary national bank in which the postmaster carried his disbursing account. Rural carriers and others sometimes were compelled to pay exchange on these checks when presented at banks and business houses. When cashed by postmasters and forwarded to their depositaries they were often returned because they could not be handled. The disbursing postmaster in each State who makes payment of the salaries of rural carriers thereupon was made the depositary for postal funds for all postmasters of the fourth class in that State.

This tentative change was intended to afford to the holders of government paper increased facilities for obtaining cash thereon, and to lessen the amount of advances of funds by the department to disbursing postmasters to meet the authorized expenses of their offices. The deposits of fourth-class postmasters only slightly reduced the necessary advances to disbursing postmasters, and presidential postmasters were still unable to handle disbursing postmasters' checks drawn on national banks, because the assistant treasurers with whom they made their deposits declined to receive in lieu of cash the checks to rural carriers drawn on depositary national banks. To relieve the situation and still further reduce the amount of advances of funds to disbursing postmasters, the Postmaster-General directed that on and after July 1, 1908, the disbursing postmaster in each State or Territory should be the depositary for postal funds of all postmasters in that State or Territory. The disbursing postmasters themselves continue to deposit with the Treasurer or an assistant treasurer of the United States as heretofore.

Arrangements have been made for disbursing postmasters to use uniform official checks drawn on assistant treasurers of the United States for the payment of rural carriers. These checks are drawn against deposits made with assistant treasurers in a special disbursing

account in the name of the postmaster, and are treated as government paper. They are cashed by postmasters everywhere, when the receipts of their offices permit, and are remitted to their depositaries in lieu of currency and coin.

This change in depositaries of postmasters from assistant treasurers of the United States to disbursing postmasters has apparently accomplished the objects desired. Complaints are no longer received from the holders of government paper of difficulty in securing cash thereon. The increased receipts at disbursing post-offices have reduced the requisitions for monthly advances of funds from disbursing postmasters as stated elsewhere.

FALSE RETURNS OF BUSINESS BY POSTMASTERS—ILLEGAL COMMISSIONS CLAIMED.

The following statement shows the work of the year on the subject of false returns of business by postmasters involving claims for commissions on padded cancellations and diverted mail matter:

Cases on hand awaiting action June 30, 1907-----	511
New cases received-----	821
Total -----	1,332
Cases closed by orders withholding illegal commissions-----	151
Cases closed without action after investigation-----	575
Cases awaiting reports of investigations-----	580
Cases on hand awaiting action-----	26
Total -----	1,332
New cases prepared for investigation:	
On false cancellations-----	600
On diversion of mail-----	88
On failure to deposit postal funds-----	133
Total-----	821
Amount received from collections-----	\$21,648. 08
Number of orders withholding commissions and requiring charges in postmasters' accounts-----	160
Amount of commissions withheld requiring charges in postmasters' accounts -----	\$31,442. 12

This statement shows an apparent increase of 255 new cases of this character over last year. Attention has been drawn to the increasing number of cases growing out of false reports of cancellations and diversions of mail matter for the purpose of increasing postmasters' compensation at offices of the fourth class. No accurate estimate can be made of the probable loss of revenue to the department arising from such practices, but the experience of this bureau in dealing with such abuses fully warrants a renewal of previous recommendations for corrective legislation as follows:

First. That the annual compensation of postmasters at offices of the fourth class be in fixed sums, not exceeding \$1,000, in a graded scale of even tens and hundreds of dollars.

Second. That at the beginning the compensation of each postmaster of this class be determined upon the returns for the preceding four quarters, made according to the provisions of the present law.

Third. That the salaries thus established remain during a period of four years, except in special cases showing abnormal increases or decreases in business, in which the Postmaster-General be given the authority to readjust the salaries of the postmasters.

Fourth. That at the end of this period and every four years thereafter the annual compensation then existing shall be increased or decreased in even tens of dollars in proportion to the increase or decrease of population and of the business of the offices, as shown by—

(a) Record of registered mail delivered and dispatched.

(b) Record of money orders issued and paid.

(c) Volume of ordinary mail matter handled and such other factors as shall be required by the Postmaster-General.

Fifth. That where the tributary population and business of an office remains practically stationary or shows no greater increase or decrease of business than 10 per cent there shall be no new adjustment of salary.

Under a fixed annual compensation it is believed that cases of this character would be entirely disposed of with no real injustice to any postmaster. The present ineffectual restrictions upon the sales of postage stamps, stamped envelopes, and postal cards would, furthermore, be removed.

DUPLICATE WARRANTS AND CHECKS.

Under the act of May 27, 1908, specific legislation has been obtained governing the issuance of duplicates of lost original post-office department warrants and disbursing postmasters' checks. The law reads as follows:

Whenever any original check or warrant of the Post-Office Department has been lost, stolen, or destroyed, the Postmaster-General may authorize the issuance of a duplicate thereof within three years from the date of such original check or warrant, upon the execution by the owner thereof of such bond of indemnity as the Postmaster-General may prescribe: *Provided*, That when such original check or warrant does not exceed in amount the sum of fifty dollars, and the payee is, at the date of the application, an officer or employee in the service of the Post-Office Department, whether by contract, designation, or appointment, the Postmaster-General may, in lieu of an indemnity bond, authorize the issuance of a duplicate check or warrant upon such an affidavit as he may prescribe, to be made before any postmaster by the payee of an original check or warrant.

The forms of bond of indemnity and affidavit referred to in the law have been prescribed and approved by the Assistant Attorney-General for the Post-Office Department, and are now in use. This legislation now permits the owner of a lost Post-Office Department warrant or disbursing postmaster's check to secure a duplicate of same without any undue loss of time after the execution of the necessary bond or affidavit, as the case may be.

TEMPORARY DEPOSITS OF POSTAL FUNDS IN NATIONAL BANKS AND REMITTANCES BY BANK DRAFTS.

In previous reports of this bureau the need for a change in the provisions of law governing temporary deposits of government moneys by postmasters in bank was discussed. The law then confined such deposits to national banks located in the county in which a post-office was situated, and the postmaster could only deposit in a national bank in the absence of a designated depository, or treasurer, or assistant treasurer of the United States, within that county. This caused postmasters great embarrassment and inconvenience, in locali-

ties where there were no national banks, and where the national bank in the county was located at a considerable distance from the post-office. If there was in the county a designated depository for government moneys, the postmaster, if he deposited temporarily at all, was forced to select that depository for the purpose, even though it might be miles distant and inaccessible to his office. Moreover, as postmasters were not authorized to deposit in state or private banks, the use of drafts of such banks in making remittances to their depositaries was not, of course, permitted. This also was a source of much annoyance to postmasters, and numerous complaints were received at the department on the subject. Pursuant to these recommendations referred to section 3847 of the Revised Statutes (sec. 358 of the Postal Laws and Regulations) was amended by act of Congress of May 27, 1908, as follows:

Any postmaster having public money belonging to the Government, at an office within a city or town where there is no Treasurer or assistant treasurer of the United States, or designated depository, may deposit the same temporarily, at his own risk and in his official capacity, in any national or state bank in the State in which the said postmaster resides, or in which his office is located, or within a reasonable radius of his post-office in an adjacent State, but no authority or permission is or shall be given for the payment to or receipt by a postmaster or any other person of interest, directly or indirectly, on any deposit made as herein described.

Where temporary deposits are maintained by postmasters in national or state banks regular remittances must be made to their depositaries as provided in sections 362 to 370.

This legislation has removed the embarrassing restrictions which heretofore existed.

MISCELLANEOUS.

The number of accounts of contractors and other creditors of the Government on account of the postal service received from the auditor and paid during the year was 299,073, requiring the recording, drawing, signing, and mailing of the same number of warrants, a decrease of 2,994 from the preceding year. The net amount expended by warrants was \$83,262,134.21.

The number of accounts of balances due present and late postmasters received from the auditor and paid during the year was 6,514, requiring the issuance of the same number of transfer drafts, aggregating in amount \$110,628.53.

The number of collection drafts prepared by the Auditor for the Post-Office Department and transmitted for signature during the year was 3,902.

The number of new contracts for mail service received, examined, and entered was 3,972, and the number of orders of the Postmaster-General affecting the mail service entered was 27,515.

There were 821 cases involving the accounts of present and late postmasters prepared by this office and referred to the chief inspector for investigation, an increase over 1907 of 329 cases, or 66.8 per cent.

NEW METHOD OF CERTIFYING ACCOUNTS FOR THE PAYMENT OF PUBLIC CREDITORS.

A change was made by the Auditor for the Post-Office Department July 1, 1908, in the method of certifying the accounts of creditors of

the department and balances due postmasters, for payment by warrant. Formerly such certifications were made on sheets containing the accounts of from one to ten creditors and these sheets were not furnished in duplicate. Since July 1, balances due creditors have been certified in duplicate on sheets containing often as many as 40 names, arranged according to the depositary upon whom the warrant is to be drawn, and showing the appropriation from which each account is to be paid. While some difficulty has been experienced in preparing warrants from these large sheets, yet it is believed that this is an improvement over the former method of certification, as the department has a retained record in the form of loose sheets which may be bound into permanent records.

UNAVAILABLE FUNDS.

In the last annual report of the bureau it was recommended that legislation be obtained to relieve the Treasurer of the United States from further accountability for the sum of \$37,277.06 carried as "unavailable funds," which balance represents items charged to certain subtreasury officials at the beginning of the civil war in 1861. This balance has been carried on the records of the department forty-seven years, and legislation is again urged which will permit of a corresponding credit to the Treasurer of the United States so that this old account may be closed. The balances are not collectible, and the Treasurer of the United States is not responsible for the sum.

Statement of the gross postal receipts at the fifty largest post-offices, for the period from July, 1899, to June, 1908, inclusive, and the percentage of increase of each fiscal year over preceding year.

Month.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
July.....	\$2,906,611.00	\$3,082,202.00	\$3,888,724.00	\$3,798,408.00	\$4,301,437.00	\$4,678,016.00	\$4,876,063.82	\$5,250,267.11	\$5,767,566.06	\$6,286,621.92
August.....	3,052,445.00	3,299,850.00	3,522,294.00	3,964,017.00	4,321,444.00	4,728,205.00	5,392,885.00	6,819,151.54	6,888,896.86	6,906,228.72
September.....	3,409,131.00	3,702,850.00	3,902,783.00	4,225,752.00	5,056,694.00	5,509,422.00	6,905,979.29	6,518,500.14	6,750,981.08	7,701,257.76
October.....	3,592,188.00	3,924,276.00	4,426,175.00	4,888,520.00	6,590,499.00	6,960,309.64	6,206,969.18	6,925,438.77	7,865,241.59	8,226,400.15
November.....	3,569,658.00	3,813,646.00	4,130,690.00	4,614,358.00	5,034,809.00	5,402,579.96	6,112,613.48	6,824,988.63	7,839,558.79	7,390,670.46
December.....	3,961,112.00	4,162,088.00	4,490,867.00	5,187,310.00	5,871,822.00	6,398,744.47	6,949,211.20	7,515,380.23	8,246,250.76	8,822,544.67
January.....	3,644,628.00	4,087,919.00	4,454,688.00	5,054,073.00	5,561,520.00	6,752,686.08	6,260,424.88	7,118,689.48	7,678,808.02	7,610,705.84
February.....	3,291,068.00	3,562,847.00	4,011,189.00	4,429,778.00	4,978,710.00	5,467,519.91	5,796,224.67	6,391,614.80	6,974,690.20	7,386,574.76
March.....	4,119,040.00	4,818,405.00	4,808,121.00	5,267,666.00	5,720,200.00	6,458,301.04	7,042,875.16	7,687,961.88	8,321,890.08	8,129,657.06
April.....	3,538,609.00	3,813,508.00	4,366,078.00	4,855,785.00	5,891,824.00	6,830,818.68	6,196,041.88	6,788,689.94	7,373,247.79	7,687,622.65
May.....	3,560,848.00	3,817,962.00	4,334,571.00	4,788,717.00	5,057,080.00	5,429,080.72	6,142,968.60	6,640,748.41	7,368,802.43	7,072,464.80
June.....	3,480,301.00	3,694,468.00	3,906,433.00	4,478,368.00	5,137,045.00	5,467,497.54	5,909,273.32	6,421,318.80	6,897,380.57	7,019,926.29
Total.....	42,060,049.00	45,234,871.00	49,691,308.00	55,487,752.00	62,015,034.00	67,083,181.04	72,669,469.98	79,847,499.18	86,912,802.17	90,159,675.07
Increases over preceding years.....										
Per cent of increases over preceding years.....		8,174,822.00	4,456,982.00	5,796,449.00	6,527,282.00	5,068,147.04	5,686,288.94	7,178,029.20	7,064,802.99	3,247,272.90
Per cent of receipts as compared with total postal revenue.....	44.26	44.19	44.51	45.72	46.20	46.72	47.70	47.51	47.84	47.08

DIVISION OF STAMPS.

During the fiscal year 1908 there was an increase in the total issue of postage-stamped paper amounting to 2.29 per cent over the previous year. Postmasters' requisitions filled during the year aggregated \$176,974,190.24, an increase of \$3,967,713.97. The total number of pieces of stamped paper was 9,772,059,664, an increase of 440,140,609; books of stamps, 18,213,310, an increase of 526,510. That the issue of postage stamps will cross the ten-billion mark during the fiscal year 1909 is confidently anticipated.

Details of the stamped-paper issues of 1908 are given in the tables following:

Statement of postage stamps, stamp books, postal cards, stamped envelopes, and newspaper wrappers, by denominations, issued during the fiscal year ended June 30, 1908.

Postage stamps.	Commemorative.	Ordinary.	Postage due.
1-cent	30,730,300	2,573,458,600	\$6,607,600
1-cent, in stamp books		42,687,860	
2-cent	49,419,900	4,329,065,000	18,869,400
2-cent, in stamp books		276,569,320	
3-cent		50,587,800	602,000
4-cent		66,213,800	
5-cent	2,322,200	106,244,900	1,465,900
6-cent		23,962,000	
8-cent		34,965,400	
10-cent		51,549,100	4,939,550
13-cent		6,770,700	
15-cent		7,738,120	
30-cent			3,680
50-cent		439,930	3,630
1-dollar		68,890	
2-dollar		1,355	
5-dollar		730	
10-cent, special delivery		12,119,430	
Total	82,472,400	7,581,407,435	82,521,760
Value	\$1,411,811	\$140,638,756	\$1,084,698

Stamp books.

Denomination:	Number.
Books of 24 1-cent stamps each	1,778,640
Books of 12 2-cent stamps each	12,021,210
Books of 24 2-cent stamps each	3,314,220
Books of 48 2-cent stamps each	1,099,240
Total	18,213,310
Value	\$6,140,193.10

Postal cards.

Denomination:	
A, 1-cent	187,500
D, 1-cent, double	16,526,500
E, 2-cent	1,386,900
F, 2-cent, double	110,850
K, 1-cent	1,391,500
McKinley, 1-cent	789,823,500
Total	809,426,750
Value	\$8,276,727

Stamped envelopes and newspaper wrappers.

Denomination.	Ordinary stamped envelopes and wrappers.	Special-request stamped envelopes.	Total.
1-cent envelopes.....	75,023,250	51,977,500	127,000,750
2-cent envelopes.....	309,710,225	790,334,584	1,100,044,809
4-cent envelopes.....	285,250	398,000	678,250
6-cent envelopes.....	411,750	411,000	822,750
1-cent wrappers.....	34,511,250		34,511,250
2-cent wrappers.....	2,920,500		2,920,500
4-cent wrappers.....	24,250		24,250
Total.....	422,886,475	843,116,084	1,266,002,559
Value.....	\$7,926,672.11	\$17,489,672.43	\$25,416,344.54

Statement showing increase in issue of postage stamps, stamp books, stamped envelopes, newspaper wrappers, postal cards, and international reply coupons for the fiscal year ended June 30, 1908, as compared with the issue of the previous year.

	Value.		Increase.	Per cent of increase.	
	1907.	1908.		1907.	1908.
Ordinary postage stamps.....	\$125,810,349.00	\$133,468,753.00	\$8,158,404.00	8.01	6.51
Postage stamps in books.....	5,837,469.60	5,958,060.00	120,590.40	16.64	2.06
Commemorative series of 1907.....	2,712,841.00	1,411,811.00	◊ 1,301,030.00	(b)	◊ 47.96
Special-delivery stamps.....	1,385,616.00	1,211,943.00	◊ 173,673.00	7.06	◊ 12.53
Postage-due stamps.....	1,029,368.00	1,034,698.00	5,325.00	8.86	.51
Ordinary stamped envelopes.....	7,890,851.28	7,495,837.42	◊ 395,013.86	21.59	◊ 5.00
Special-request envelopes.....	19,854,132.14	17,489,672.43	◊ 2,364,459.71	12.58	◊ 11.90
Newspaper wrappers.....	576,862.25	430,834.69	◊ 146,027.56	17.38	◊ 26.31
Postal cards.....	8,232,119.00	8,276,727.00	44,608.00	1.01	.54
International reply coupons.....		13,725.60	13,725.60		(b)
Total.....	172,829,608.27	176,792,067.14	3,962,448.87	10.73	2.29
Add stamp books.....	176,868.00	182,133.10	5,265.10	18.90	2.97
Grand total.....	173,006,476.27	176,974,190.24	3,967,713.97	10.74	2.29

◊ Decrease.

◊ No issue in previous years.

REQUISITIONS FILLED.

The number of requisitions filled during the past year, compared with the number filled in the fiscal year 1907, follows:

Stock.	1907.	1908.	Increase.	Decrease.	Per cent.
Stamps:					
Ordinary.....	187,793	169,796		17,997	9.58
Commemorative series, 1907.....	11,074	2,322		8,752	79.08
Stamp books.....	57,326	52,005		5,321	9.28
Postage due.....	17,191	15,874		1,317	10.57
International reply coupons.....		1,319	1,319		(a)
Stamped envelopes:					
Unprinted and wrappers.....	67,774	53,586		14,238	21.01
Special request.....	480,814	423,840		56,974	13.94
Postal cards.....	75,586	71,211		4,375	5.72
Total.....	897,008	788,903	1,319	119,424	
Net decrease.....				119,424	13.17

◊ No issue in previous years.

Although there was an increase in quantity of ordinary and postage-due stamps and stamp books issued, the number of requisitions for these varieties of stamped paper was less than last year. This shows that in the fiscal year 1908 postmasters drew their requisitions in larger amounts than previously. The decrease in requisitions for special-delivery stamps, stamped envelopes, and wrappers is due to reduced issues, as explained elsewhere in this report.

During the past year special attention has been given to reducing the time required for passing requisitions for stamped paper through the Division of Stamps. Formerly it took four to six days to examine, record, and pass a requisition. Under present methods requisitions are forwarded the day following their receipt at the department.

STAMP BOOKS.

The issue of stamp books, 18,213,310, was an increase of 2.97 per cent over 1907. The 1 cent charged for these books over the value of the stamps contained therein pays the cost of manufacture and provides a profit to the department of a little less than three-fourths of a cent on each book. The total profit on the stamp books issued in 1908 amounts to \$131,181.54, and the grand total profit from this source on the 98,375,217 stamp books issued since their introduction in 1900 is \$674,841.26.

The demand for books of 1-cent stamps, which were first issued March 1, 1907, has fully met the department's anticipations, totaling in 1908, 1,778,640 books.

STAMPED ENVELOPES.

The issue of stamped envelopes and newspaper wrappers of all varieties during 1908 was 1,266,002,559. Of these 843,116,084, or 66.59 per cent, were what are known as "special-request" envelopes, bearing printed return cards, and 422,886,475 envelopes and wrappers, or 33.41 per cent, were unprinted.

The gross selling value of stamped envelopes and wrappers issued was \$25,416,344.54, and the postage value was \$23,743,563.68, leaving \$1,672,780.86 to defray cost of manufacture and distribution. The contract cost of manufacture was \$1,058,197.95, leaving \$614,582.91 to defray the cost of distribution. In 1907 the amount applicable to cost of distribution was \$631,633.84.

There was a considerable decrease in the issue of stamped envelopes as compared with 1907, due in part to the fact that in the latter part of the fiscal year 1907 the department stocked various post-offices and the distributing depot at St. Louis prior to the operation of a new stamped-envelope manufactory beginning July, 1907, which it was anticipated might at the outset experience difficulty in producing envelopes in the quantities required to meet the public demand. This anticipation was realized, for, although the new plant was equipped with machinery of the most approved patterns and its capacity was ample, the inexperience of the contractor's organization resulted in considerable delay in the filling of orders. The demand is now recovering, however, issues thus far in the present fiscal year showing a substantial increase as compared with those of the first

months of the fiscal year 1906, when conditions were normal. The output of the new factory is now greatly improved, and envelopes on regular orders are being shipped out four days after the orders reach the factory.

EXPERT TESTING OF STAMPED-ENVELOPE PAPER.

The Secretary of Agriculture has assigned to the stamped-envelope agency an employee skilled in the testing of paper, with adequate apparatus, whose duty it is to test the supplies of paper received from the mills to determine whether they conform to contract standard as to stock, weight, and strength.

BOX-BOARD CONTAINERS.

The department has recently entered into an agreement with the stamped-envelope contractor providing for the packing of envelopes and wrappers in box-board shipping boxes, instead of wooden cases, and their use will be inaugurated at an early date. They are to be repellent to moisture, of good material, well reenforced, and sufficiently substantial to withstand transportation and afford adequate protection to the envelopes. The principal advantages to the postal service are their decreased weight as compared with wooden cases and the greater ease and safety with which they may be handled by postal employees. The weight of the new containers is but one-fourth to one-half that of the old-style wooden cases, and this substantial reduction will be a considerable factor in the mail weighings.

STAMPED ENVELOPES MADE OF PAPER SUPPLIED BY THE PUBLIC.

Opposition, more or less acute, has always existed among commercial envelope manufacturers, printers, lithographers, and their organizations, to the alleged competition of the special-request stamped envelope with private industry. So far as the printing is concerned, that is limited by law to a "request to return the letter to the writer," the department being specifically prohibited from placing any lithographing, engraving, or advertising upon envelopes it may furnish. While the interests of the trades mentioned are not believed to outweigh the established advantages of the special-request envelope to the business public and to the postal service, it is believed that by another method of procedure results beneficial alike to the Post-Office Department, the public, and the printing and paper trades may be achieved. The scheme suggested can only be perfected by legislation authorizing the department to emboss postage stamps upon envelope blanks furnished by the printer or consumer.

Under this plan any ordinary or special kind of paper not below a prescribed standard of quality could be selected by the printer or his customer, and any desired advertisement or cut could be printed or lithographed thereon, the paper thus prepared being shipped to the stamped-envelope factory, there to be stamped, cut, and either gummed and folded, or, if furnished by an envelope maker, returned to him for gumming and folding. The charge of the department would be for the value of the stamps imprinted upon the envelopes,

plus the contractor's charge at a rate to be agreed upon and the expense to the department for administration and for distribution of the envelopes. The printer or envelope manufacturer would be permitted to make such additional charge to his customer as might be agreed upon between them. This plan does not contemplate discontinuance of the present system, but to supplement it, giving the public its preference. It would largely increase the use of stamped envelopes, to the benefit of the postal service and all concerned, while eliminating all cause for complaint of competition in this respect on the part of the department with private business. I respectfully recommend that the matter be submitted to Congress for consideration.

In order to accomplish the desired end, the act of Congress approved June 26, 1906, which reads as follows:

Provided, That no envelope shall be sold by the Government containing any lithographing or engraving nor any printing nor advertisement, except a printed request to return the letter to the writer,

should be amended by adding the following:

And provided further, That under regulations to be prescribed by the Postmaster-General any person, firm, or corporation may deliver or cause to be delivered to the stamped-envelope agency paper of suitable quality, color, weight, and finish with return requests not exclusive of advertising thereon in lithographing, engraving, embossing, or printing, and have such paper embossed with the stamps used on Government stamped envelopes and made into envelopes at the usual schedule price therefor less the cost of the paper which would otherwise have been furnished by the Post-Office Department; and that paper in sheets with stamps embossed thereon, for manufacture into stamped envelopes, may be furnished to the public in lieu of stamped envelopes and at the same schedule price: *Provided further*, That all orders for the manufacture of paper into stamped envelopes and all orders for sheets embossed with stamps shall be made through the post-office to which the person ordering the same makes his undeliverable mail returnable.

Special-request envelopes are of great advantage to the business public and to the postal service, and the printing of return cards by the department very largely encourages and increases their use. The return card is a valuable part of an envelope, stamped or unstamped, as it insures the prompt return of an undelivered letter to the writer—often a matter of vital importance. Were the department to cease furnishing special-request envelopes, undeliverable and unreturnable mail would vastly increase. Their use saves an enormous amount of work to the Division of Dead Letters. The return cards are printed without additional cost to the department and at trifling expense to the stamped-envelope contractor, because the printing is done on one machine simultaneously with the embossing of the postage stamp. This is a direct saving to the user of the envelopes, as by law they must be supplied without any additional charge for the printing. Furthermore, stamped envelopes mutilated or spoiled in addressing are redeemed from original purchasers at stamp value.

If Congress decides, for the purpose of obtaining better supervision, that the department shall manufacture its own envelopes, the system herein outlined would confine such work to the mere embossing of the stamp and the gumming and folding of the paper when the latter is furnished already printed by the consumer.

REVISION OF SPECIAL-REQUEST REGULATIONS.

The regulations governing the printing of return cards on stamped envelopes were revised during the past year, the law on the subject being given a more liberal construction than formerly. The revised rules, however, exclude everything of an advertising nature, as required by law, and eliminate any printing not in harmony with the purpose of the return card to secure the return of undelivered letters to the writer.

POSTAL CARDS.

As announced in the report of this office for 1907, a postal card has been issued providing a space for message on the address side. This card was first issued in the fiscal year 1908, and at once met with popular favor. The design, known as "McKinley No. 3," is the same as the regular "McKinley" card described in the last annual report of this office, except that a vertical line one-third the distance from the left edge sets off the space for the message, the inscription being lowered and set sufficiently to the right to escape the stamp and the vertical line.

The postal cards issued during the past year have been much improved in finish and appearance over those formerly supplied. It is believed, however, that the quality of our postal cards should be further improved, but this will require a modification of the paper formula which can not be done under the existing contract. The specifications for the next contract will shortly be taken up and the matter of providing a better grade of paper will then receive attention.

SPECIAL-DELIVERY STAMPS.

The use of ordinary postage stamps to secure special-delivery service authorized by act of Congress last year has resulted in decreasing the demand for special-delivery stamps, though not to the extent anticipated. The issue of these stamps in 1908 was 12,119,430, compared with 13,856,160 in 1907.

JAMESTOWN COMMEMORATIVE POSTAGE STAMPS.

It was intended to confine the sale of these stamps to the term of the commemorative exposition, following the practice in connection with the Pan-American and Louisiana Purchase issues, as stated in the last annual report of this office. At the close of the Jamestown Exposition, however, the Bureau of Engraving and Printing had a considerable quantity of the stamps on hand and to destroy them would have involved an unwarranted waste. It was accordingly determined to issue and sell the remaining stock so long as it lasted, and this is being done.

INTERNATIONAL REPLY COUPONS.

The number of reply coupons issued during the fiscal year 1908 was 228,760; value, at 6 cents each, \$13,725.60.

Reports having reached this office that foreign postmasters had in some instances failed to postmark reply coupons sold by them, as

required by the regulations adopted by the convention of the Universal Postal Union, the International Bureau at Berne was asked to waive this requirement, at least tentatively, on the ground that the use of the reply coupons should not be defeated by a mere technicality. This request was granted, and United States postmasters are now permitted to redeem such reply coupons issued by other governments as do not exhibit the stamp of the issuing post-office.

In one important particular the international reply coupon is defective. It comprehends only the international postage rate of 5 cents per ounce, making no provision for correspondence with the several countries with which we exchange mails at the United States domestic rates of postage—Great Britain, the Philippine Islands, the Republic of Panama, Canada, Cuba, and Mexico. It is recommended that steps be taken to effect direct arrangements with these countries for a reply coupon of suitable denomination, which should perhaps be 3 cents, the reply coupon to be redeemable in stamps equivalent in value to 2 cents. It is necessary to sell the reply coupons at more than their redemption value; otherwise they would be in more demand for international remittance purposes than to prepay return postage.

Another defect is that no provision is made to adjust the international reply coupon to the action of the Universal Postal Congress in fixing the rate of international letter postage at 3 cents for each ounce in addition to the first ounce. As it stands, the reply coupon provides for prepayment at 10 cents instead of 8 cents on a reply from abroad weighing 2 ounces, 15 cents instead of 11 cents on a reply weighing 3 ounces, etc. The proportion of replies weighing over 1 ounce will probably be small. Provision should be made for this, but it may be necessary to await the next congress of the Universal Postal Union.

STAMPED PAPER FOR THE PHILIPPINE ISLANDS.

The bureau of posts of the Philippines having adopted distinctive designs for its postage stamps and stamped envelopes, the supplying of United States stamps and envelopes overprinted "Philippines" has been discontinued. The orders are therefore no longer transmitted through this office, but are drawn by the director of posts of the Philippines through the War Department upon the Bureau of Engraving and Printing for stamps and stamp books and upon the Mercantile Corporation, of Dayton, Ohio, the contractor of this department for envelopes and wrappers.

FREIGHT SHIPMENTS.

Substantial progress has been made in complying with the law enacted in the Fifty-ninth Congress which required that all postal cards, stamped envelopes, and newspaper wrappers, when in freightable lots and whenever practicable, should be withdrawn from the mails immediately preceding the weighing period in the respective mail-weighting sections of the country, and that these supplies should thereafter be shipped by freight or express. The mails were weighed during the fiscal year 1908 in the South Atlantic States, and they are now being weighed in the New England States. On account of the

value of postal cards and stamped envelopes it is only practicable to ship them by freight when they can be dispatched in full carloads which may be sealed or locked, with special government locks, through to destination. In pursuance of the law this office has established a supply depot in a centrally located city for each State in which the mails were to be weighed. The depots are stocked with carloads of postal cards, stamped envelopes, and newspaper wrappers shipped by freight. These stocks, in charge of the postmaster at the distributing point, are drawn upon to supply other postmasters as their requisitions are received by the department, shipment being made from the supply depot by registered mail. This method removes the heavy and bulky shipments of cards and envelopes from the mails between the factory and the distributing point.

Thus far the stocks handled by the distributing postmasters have been confined, because of inadequate facilities, to unbroken boxes of 5,000 and 10,000 of the varieties of cards and envelopes most in use. Where so large a quantity would not be warranted, or where a variety of cards or envelopes not carried in the distributing stock is called for, the requisition must be filled by mail from the postal-card or stamped-envelope agency, or the nearest subagency, but the quantity of cards and unprinted envelopes so shipped by mail into a weighed section is comparatively small.

This arrangement for the distribution of stamped paper does not apply to special-request envelopes, as they must be specially printed at the factory upon orders received from purchasers, and can not therefore be carried in stock at a distributing depot or held for car-load accumulation.

One obstacle to freight shipments that has presented itself is the refusal of certain railroads connecting with southern points to accept shipments by freight, holding that stamped paper is too valuable to be so shipped, although freight shipments of cards and envelopes are freely accepted by other railroads throughout the country. In the event of destruction or damage to stamped paper in transit, the responsibility of the railroad would only be for the cost of manufacture. Only in the event the stock were stolen or lost, thus becoming redeemable in service, would the transportation company become responsible for postage value. If the railroads referred to persist in their position it will result in forcing some shipments back into the mails, and, as they were excluded when the mails were last weighed, the roads will be obliged to carry these bulky shipments without compensation for nearly four years.

STAMP-VENDING MACHINES.

The committee appointed by the Postmaster-General last year to investigate and report upon stamp-vending machines examined about 25 machines which were submitted for the purpose. Of these 6 were found to possess sufficient merit to warrant further experiments, and the owners were given permission to install machines in their home post-offices, without expense to the department, for a thirty-day practical test. The owners of 5 of these machines have responded, and tests have been made in the post-offices at Baltimore, Minneapolis, New York, and Washington, while the fifth machine is

now undergoing test at Indianapolis. While the machines tested have not been so perfected as to give wholly satisfactory results, the experiments have been sufficiently encouraging to justify a continuance of the investigation, and to that end the committee has been directed to resume its labors. Since the preliminary tests Congress has provided an appropriation of \$10,000 for the purpose of defraying the department's expenses in the investigation of labor-saving devices, so that the committee will not be hampered for lack of necessary funds in performing its duties.

The department is now prepared to fill requisitions of postmasters for limited quantities of stamps in coils or rolls for use in stamp vending and stamp affixing machines. There is a growing demand for stamps put up in this form, which the department will endeavor to meet.

PERFORATING POSTAGE STAMPS FOR IDENTIFICATION.

The department has been asked by individuals, business houses, and organizations from time to time to permit purchasers of adhesive postage stamps to perforate their initials therein for the purpose of identification, representations being made that the presence of the initials would deter office boys and others from purloining the stamps of their employers, which was said to be a growing evil and one which often led to more serious crime. For many years the privilege was denied by the department on the ground that it would lead to abuses, but upon consideration of the matter it was concluded that perforations might be allowed for purposes of identification only, but not for advertising, as the latter would be contrary to law. The postal laws and regulations have been amended accordingly by the Postmaster-General's Order No. 1342, of May 4, 1908, making it permissible to puncture or perforate letters, numerals, or other marks or devices in United States postage and special-delivery stamps. The punctures or perforations are limited to one thirty-second of an inch in diameter, and the whole space occupied by the identifying device is required not to exceed one-half inch square. The puncturing or perforating must be done in such manner as to leave the stamp easily recognizable as genuine and not previously used, and the use of ink or other coloring matter in connection therewith is prohibited. Many business houses are availing themselves of the privilege and there has been little or no indication of a purpose to turn the privilege to advertising account.

DIVISION OF REDEMPTION.

During the year 18,077 claims for the redemption of stamped paper were received, representing a value of \$735,436.94, while 1,378 whole claims and 1,522 portions of claims, amounting to \$1,225.82 were rejected and the stamped paper returned, making a total of 16,699 whole claims allowed, with a valuation of \$734,211.12. This represents an increase over the previous year of 1,659 in claims and \$89,818.77 in value.

The stamped paper redeemed includes international reply coupons valued at \$237.60, which were accepted during three quarters of the year, the coupons not being issued until October 1, 1907.

Postage stamps valued at \$1,437.47, received from postmasters in payment of deficiencies in registry fees and postage, were counted and destroyed.

There were also counted and destroyed 947 cases of stamps, amounting to \$20,516.72, which were canceled and remitted by postmasters as representing money deposited for postage at the third-class rate on publications, the applications of which for the second-class mailing privileges were denied, and the matter determined to be chargeable at the higher or third-class rate. These deposits are made by publishers to obtain permission for mailing their publications in the manner prescribed for matter of the second-class pending the classification thereof. This amount includes also the stamps canceled and remitted by postmasters as representing deficient postage collected in cases where matter mailed was chargeable with a higher rate of postage.

Postage stamps of the value of \$408.06, which were recovered by the chief post-office inspector in the investigations of robberies, etc., were counted and destroyed.

THE DIVISION OF CLASSIFICATION.

The results of the special weighings of the mail by the Second Assistant Postmaster-General, under authority of the Congress, for the period from July 1, 1907, to December 31, 1907, in all post-offices and railway cars, the tabulation of which was but recently completed (H. R. Doc. 910), shed new light on the second-class postage question. These special weighings separate mail matter and the revenue derived therefrom into the following proportions, compared with the total weight of mail carried and the total revenue derived therefrom:

First-class mail matter:	
Per cent of weight.....	12.81
Per cent of revenue.....	75.74
Second-class mail matter:	
Per cent of weight.....	63.91
Per cent of revenue.....	5.19
Third-class mail matter:	
Per cent of weight.....	14.61
Per cent of revenue.....	14.63
Fourth-class mail matter:	
Per cent of weight.....	4.79
Per cent of revenue.....	4.44
Congressional franked matter:	
Per cent of weight.....	.37
No revenue.	
Departmental penalty matter:	
Per cent of weight.....	3.51
No revenue.	

The average hauls of second-class matter were found to be as follows:

Second-class matter:	
Paid at the pound rate—	Miles.
Subscribers' copies	602
Sample copies	873
Free in county.....	7
Transient, 1 cent for each 4 ounces.....	698
All subclasses combined.....	610

The average haul of daily newspapers is 291 miles, of weekly and other newspapers 558 miles, of magazines 1,049 miles, and of miscellaneous periodicals 1,128 miles.

Most of our weekly newspapers are situated in the smaller centers and circulate very largely within the county in which located. As the average haul of free county mailings was 7 miles, it is evident that the country weekly not only greatly reduces the average weekly newspaper haul, but that the average haul of the country weekly is much less than the 558 miles shown above.

Daily newspapers furnish a little over 40 per cent of the second-class mail. Weekly and other newspapers furnish a little over 15 per cent. The periodicals, including the monthly magazines, scientific, educational, religious, trade, and other journals, furnish the remaining 45 per cent of the whole.

COST OF HANDLING SECOND-CLASS MAIL MATTER.

A carefully compiled estimate of the cost of handling second-class mail matter, covering all the elements of cost from transportation to audit of accounts, shows that such average cost is approximately 8½ cents per pound. This does not mean that it costs 8 cents per pound to handle every publication, but that the amount stated is the average cost, taking the country over. Of this amount, approximately 2½ cents per pound is paid to the railroad companies for transportation; a few mills must be added for car service, freight on empty mail bags, etc., which items increase the total cost of railway handling of second-class matter to approximately 2½ cents per pound. The other elements of cost making up the 8 cents include all other classes of tributary transportation, handling in post-offices, the cost of delivery to individual addresses, and general administration.

Whether the department can afford to continue the present cent-a-pound rate for newspapers and periodicals in view of the statistics presented herewith is for the Congress to determine. The purpose of the act when originally passed was to encourage the dissemination of useful information among the people for educational purposes. While the rate, considered alone, is beyond doubt a heavily losing one, second-class matter originates a large volume of mail matter of other classes, the amount of which is impossible of determination.

It is suggested, however, that there should be no increase in the rate, because of the disastrous effect it would have upon legitimate publishers, until other possible remedial legislation has been applied and without success.

THE ABUSES.

The main abuses of the past—the departures from the clear intent of the law—have had their origin (*a*) in carrying persons as subscribers long after the period of the subscription had expired, for the purpose of inflating the mailings as to subscribers; (*b*) through the mailing of copies marked “sample copy” in tremendous numbers, not for bona fide sample-copy purposes but for advertising purposes, thereby maintaining an enlarged “circulation” upon which to base high advertising rates; and (*c*) through securing subscriptions by the use of premiums and other extraneous inducements.

The revised regulations governing second-class mail matter, which were intended to curb the abuses (*a*) and (*b*) above, by striking at the root of the evil, appear as paragraph 3, section 436, and paragraph 5,

section 456, of the Postal Laws and Regulations, and read, respectively, as follows:

SEC. 436. (3) A reasonable time will be allowed publishers to secure renewals of subscriptions, but unless subscriptions are expressly renewed after the term for which they are paid, within the following periods: Dailies, within three months; triweeklies, within six months; semiweeklies, within nine months; weeklies, within one year; semimonthlies, within three months; monthlies, within four months; bimonthlies, within six months; quarterlies, within six months, they shall not be counted in the legitimate list of subscribers, and copies mailed on account thereof shall not be accepted for mailing at the second-class postage rate of 1 cent a pound, but may be mailed at the transient second-class postage rate of 1 cent for each 4 ounces or fraction thereof, prepaid by stamps affixed. The right of a publisher to extend credit for subscriptions to his publication is not denied or questioned, but his compliance or noncompliance with this regulation will be taken into consideration in determining whether the publication is entitled to transmission at the second-class postage rates.

SEC. 456. (5) Sample copies of publications entered as second-class matter shall be accepted for mailing at the second-class postage rate of 1 cent a pound to the extent of 10 per cent of the total weight of copies mailed to subscribers during the calendar year. Such sample copies may be mailed at any time during the year, based on an estimate of the probable mailings to subscribers during the year obtained from the best information at hand; for instance, a publisher of a "weekly" mailing an average of 1,000 pounds per week to subscribers would mail during the year 52,000 pounds to such subscribers, and may therefore mail sample copies to the extent of 5,200 pounds at any time during that year at the second-class postage rate of 1 cent a pound. Should a publisher offer for mailing as "sample copies" copies in excess of the amount above prescribed, the postmaster shall require on such excess copies a deposit of money sufficient to cover postage at the transient second-class rate—1 cent for each 4 ounces or fraction thereof on each separately addressed copy or package of unaddressed copies—and forward to the Third Assistant Postmaster-General a report of the facts accompanied with a copy of the issue in question and a sworn statement of the publisher giving (a) the number of copies of the issue printed, (b) the number of subscribers to such issue, and any further statement the publishers may care to submit. The particular facts and circumstances in each case will be considered in determining whether such additional mailings or any part thereof can properly be regarded and accepted as sample copies.

These regulations are believed to be wholly within the letter as well as the spirit and purpose of the statute, and therefore valid, and have done much toward eliminating the two classes of abuse covered by them.

RESULTS ACHIEVED UNDER THE NEW REGULATIONS.

The statistical statements of the department are compiled by fiscal years, and as the new regulations governing second-class mail matter did not become effective until the middle of the fiscal year, only six months of actual experience enters into this report. A tabulation of the returns of postmasters covering second-class mail matter discloses both the extent of the abuses which have been practiced and the effectiveness of the remedy applied.

The number of pounds of second-class matter mailed during the entire fiscal year upon which postage at the cent-a-pound rate was paid was 694,865,884, creating a revenue of \$6,948,658.84, a decrease of 18,079,292 pounds in weight and \$180,792.92 in postage collected at the pound rate, a decrease of 2.53 per cent from the year 1907.

The number of pounds of second-class matter mailed free of postage within the county of publication during the fiscal year was 51,701,277,

a decrease of 758,974 pounds, or 1.44 per cent, and constituting 6.92 per cent of the entire amount of second-class matter mailed at the pound rate and free of postage during the year in the United States.

The aggregate amount of second-class matter mailed at the pound rate and free of postage during the year was 746,567,161 pounds, or 373,283.5 tons, a decrease of 18,838,266 pounds, or 9,419.2 tons, from the previous year.

The average annual increase in the weight of mailings of second-class matter, subject to postage, for a period of five years ending with the fiscal year 1907 was 51,758,564 pounds. If in the fiscal year ended June 30, 1908, this average increase had continued, the total weight would have been 764,703,740 pounds. It is found to be, however, only 694,865,884 pounds, or an actual decrease from what would have been the normal weight, if the same conditions had continued, of 69,837,856 pounds.

For the purposes of computation, assuming that the actual decrease from the normal weight was 70,000,000 pounds per annum, an estimate has been made by the Second Assistant Postmaster-General as to the probable ultimate saving in the cost to accrue on account of railroad transportation alone. Due to the fact that railroad transportation pay is based on weighings occurring quadrennially instead of annually, this saving will not be immediate. Therefore, it will require the passing of four years to obtain the full effect of the cost reduction. At that time it is estimated from the figures given that the saving will amount annually to \$1,654,930.68. If the second-class mailings are distributed equally throughout the country, the coming year will show a saving of \$413,732.67; the second year hence twice that, or \$827,465.34; the third year \$1,241,198.01; the fourth year \$1,654,930.68; and this latter amount each year thereafter.

As previously stated, the regulations which are held to be largely responsible for this tremendous decrease in the mailings of second-class matter were in operation only during the last half of the fiscal year, i. e., from January 1 to June 30, 1908, inclusive.

Another element of benefit, and by no means the least, is in relief from handling this vast volume of mail matter, much of which was "dead" and undeliverable. The disappearance of this matter resulted in expedition to other classes of mail matter. It costs much more to handle undeliverable matter than it does to handle "live" or deliverable matter, because of the efforts which must be made to effect delivery by searching directories and office records before the fact is ascertained that the matter is not deliverable.

It has been alleged with some show of plausibility that the policy of the department, as indicated in the new regulations, is detrimental to the interests of those mechanically employed in the production of newspapers and periodicals, but an analysis of the facts does not support this conclusion. The decrease in mailable output is but an infinitesimal percentage of the total production of printing, and the reduction in second-class matter is so uniformly distributed throughout the country that the effect upon the individual employee has been minimized. On the other hand, it is the consensus of opinion among legitimate publishers—the producers of that class of newspapers and periodicals which the present law was intended to encourage—that the business has been benefited in being put on a more sound and

profitable basis. However, to urge that an illegal practice should not be curbed or stopped because of the loss of employment it would entail is analogous to saying that counterfeiting, illicit distilling, the manufacture of impure and adulterated foods and drugs should not be suppressed because such production affords remunerative employment to some of our people.

PREMIUM OFFERS AND EXTRANEOUS INDUCEMENTS FOR SUBSCRIPTIONS.

While the new regulations have done much toward restoring right conditions, it is the opinion of this office that the abuses of the second-class mailing privilege can not be reduced to the minimum until the practice of offering premiums and other extraneous inducements for subscriptions is effectually stopped, either by legal prohibition or by imposing a higher rate of postage on the newspaper or periodical which invokes such methods of securing circulation. The low rate provided by law was unquestionably for the purpose of benefiting the public by affording a cheap postage rate on publications which were actually desired by the public and for which the public was willing to pay more than a nominal price, and in no sense can it be regarded as a rate to benefit the publisher per se.

A newspaper or periodical to be entitled to the second-class postage rate of 1 cent per pound should circulate on its merits alone.

This, it seems, is clearly evidenced by the requirement of the law that a publication, to be entitled to the rate, "must be originated and published for the dissemination of information of a public character, or devoted to literature, the sciences, arts, or some special industry," and have a "legitimate list of subscribers," and its admission is prohibited provided it is "designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates." Manifestly, subscriptions to a publication made merely for the purpose of securing the premium offered by the publisher, do not come within the spirit of that law. A "legitimate list of subscribers," as required by the law, should consist of the names of persons who subscribed for the paper because they wanted it—not because they or some one else wanted a premium offered or desired to win a prize.

Certainly the least objectionable of premium offers are those which involve the distribution of good books—clean, wholesome literature—in connection with high-grade newspapers and periodicals.

Combination or so-called club subscription offers are among the most objectionable of premium methods from the standpoint of the law excluding from second-class postage rates publications designed primarily for free circulation or circulation at nominal rates, because publications of this description, which desire circulation for purely advertising purposes, are always seeking to get into such combinations for the sole purpose of enlarging circulation, with little or no regard whatever for the alleged subscription price.

The practice of giving premiums is in a large measure the outgrowth of competition among publishers. If a publisher were forced to compete upon the qualities of his publication as a news or literary journal instead of by the premium method, the subscriber would be benefited by the higher literary standard which would have to be maintained, and this would inure to the public good.

As a rule the publisher who employs premium methods does so to force the circulation of his publication for the additional profit accruing from increased advertising rates, or for the purpose of furthering his other interests.

Publishers who indulge in the practice of giving premiums usually have a multitude of offers, some so great as to offset any material cost of the publication to the alleged subscriber, and all of a nature to materially reduce the price of the publication to the subscriber. Some publishers indulge in the practice of distributing premiums, etc., to such an extent that it is difficult to determine whether the real business of the concern is merchandising or publishing, and, generally, the cheaper and trashier the publication the more the publisher thereof resorts to the practice of inducing subscriptions through the medium of the premium.

A law prohibiting premium offers in connection with second-class mail matter would apply equally in all cases and would not give any advantage to one publication over another, and the mails would be relieved of the enormous circulation of the trashy publications which have little or no educational value and whose subscribers are obtained mainly through premium offers. That legislation of the sort discussed would be welcomed by many of the foremost publishers of the country is a fact that has been brought to light in the campaign of education which the department has conducted on this subject during the past year. Many publishers of periodicals generally recognized as of the highest class have freely admitted verbally and in correspondence that they are forced by competition to resort to premium methods, and that they would gladly discontinue the practice if others would do the same. Most publishers seem to feel that their vocation calls for the sale and dissemination of news and information of a public character in the form of newspapers and periodicals, rather than the distribution of merchandise. It appears that they would gladly restrict the field of their endeavors accordingly.

A law or regulation prohibiting premiums, as stated, would be as fair for one publisher as for another, and it is believed that the publishers of high-grade publications especially would welcome it, as premiums are distasteful to many of them and only competition compels their use.

In this connection attention is invited to the recommendations for legislation abolishing rebates, premiums, etc., by the Postal Commission of Congress, as set forth in sections 41, 42, and 43 on Page LX of its report on second-class mail matter, and also to the recommendations for the "prohibition of premium schemes or clubbing schemes which serve to make abnormal discounts upon the price of subscription" by the committee of the American Newspaper Association on page 184 of the same report, and remarks of other gentlemen representing various phases and even conflicting interests of the publishing business.

It is, therefore, recommended that the Congress be asked to enact a law which will prohibit the use of premiums and other extraneous inducements for the purpose of securing subscriptions, to become effective a reasonable time after enactment in order that the publishers may have ample opportunity to bring their practices into harmony therewith.

BULK SUBSCRIPTIONS.

Another abuse of lesser magnitude, yet one worthy of consideration with a view to remedial action, is found in what are known to the department as "bulk subscriptions."

A limited number of publishers, whose output is large as a rule, sell subscriptions in considerable numbers to business institutions and individuals and mail the papers in fulfilment of such subscriptions to a list of names furnished by the purchasers. Although no legal exception can be taken to this method of obtaining subscriptions, when the elements of a genuine and legitimate subscription exist, yet the practices of some publishers, when they so circulate their papers for purely personal or commercial purposes, result in a serious abuse of the second-class mailing privilege. Papers which circulate largely in this manner, as a rule, contain matter in the interest of the purchasers of the bulk subscriptions. It frequently comes to the attention of the department that the mailings are purely for advertising purposes. Under the law, were the purchaser himself to mail such copies it would be necessary for him to prepay postage thereon, by stamps affixed, at the transient second-class rate of 1 cent for each 4 ounces or fraction thereof; whereas, by having the publishers mail the copies, merely the cent-a-pound rate is charged. Necessarily, if the practice described is inordinately indulged in, the second-class status of the paper would be thereby affected, for the extensive circulation of such copies indicates that the primary design of the publication is for advertising purposes, and that it is not, therefore, admissible to the mails at the second-class postage rates.

The difficulty with which the department has to contend in this class of cases is to confine these bulk orders to bona fide subscriptions, in fulfilment of which the publication is sent with the legitimate intent of furnishing information of a public character and not for the purpose of circulating advertising matter. The conditions disclosed are often such as to make it difficult of determination whether the copies should be regarded as having been mailed in fulfilment of bona fide subscriptions or whether mailed for purely advertising purposes, and in the latter case subject to the higher rate of postage which would have been charged had the purchaser mailed them.

THE FINAL ALTERNATIVE.

With the second-class mailing privilege restricted, as was originally contemplated in the enactment of the law, there would yet be a loss to the department in the handling of this class of mail matter, but it would be a worthy generosity for the benefit of the people, and not for the benefit of publishers who abuse the privileges of the law. However, if it is not possible to curb the abuses along the lines suggested, or along other practical lines, there will be justification for and inevitably must be a very material increase in the second-class postage rate to cover the cost of the service, and with such a rate there would be no need for restrictive regulations of any sort.

In passing the discussion of the second class of mail matter, I beg to call attention to the recommendation in my report of last year regarding the enactment of a law providing for the return of unde-

liverable second-class matter to the publisher at his expense; also to the need for a law to simplify the rates of postage on second-class matter.

COMPARATIVE STATEMENTS OF SECOND-CLASS MAILINGS.

Below is a statement by years, for ten years, from 1899 to 1908, inclusive, of the weight of paid second-class matter mailed by publishers and news agents, together with increase or decrease from year to year and the per cent of such increase or decrease.

Year.	Weight.	Increase.	Decrease.	Per cent increase.	Per cent decrease.
1899.....	352,708,226	16,576,888	.....	4.98	.....
1900.....	382,538,999	29,835,773	.....	8.45	.....
1901.....	429,444,573	46,905,574	.....	12.26	.....
1902.....	454,152,359	24,707,786	.....	5.75	.....
1903.....	509,537,962	55,385,603	.....	12.19	.....
1904.....	569,719,819	60,181,857	.....	11.81	.....
1905.....	618,664,754	48,944,936	.....	8.59	.....
1906.....	660,338,840	41,674,086	.....	6.73	.....
1907.....	712,945,176	52,606,336	.....	7.97	.....
1908.....	694,865,884	.....	18,079,292	.....	2.53

The weight of mailings of matter of the second class in the fiscal year 1908 was nearly fifteen times greater than in the fiscal year 1878, a period of three decades.

The total weight of second-class matter in the three decades was as follows:

	Pounds.
1879 to 1888, inclusive.....	969,111,148
1889 to 1898, inclusive.....	2,474,430,120
1899 to 1908, inclusive.....	5,377,606,403

Total for thirty years..... 8,821,147,671

The number of post-offices at which second-class matter was mailed at the pound rate was 10,395, an increase of 163 over the previous year.

At 45 offices where the largest amount of second-class matter was mailed 80.32 per cent of the entire amount of postage on such mailings was collected, leaving only 19.68 per cent for the remaining 10,350 offices at which second-class matter is entered.

In New York City alone 19.98 per cent of the total amount of second-class postage was collected as against 21.82 per cent in 1907, and at Chicago 10.63 per cent was collected against 10.75 per cent in 1907. At the 5 offices of New York, Chicago, Philadelphia, St. Louis, and Boston 44.43 per cent was collected of the total amount of postage paid on mailings of matter of the second class in the United States.

NUMBER OF APPLICATIONS.

The total number of applications for admission of publications to the second class passed upon during the fiscal year was 3,942, a decrease of 707 from the previous year.

The number of such applications which were favorably acted upon was 3,680, a decrease of 233 from the previous year. Admission was denied 262 publications, a decrease of 474 from the previous year.

The number of news agents' permits issued was 220, a decrease of 60 from the previous year.

COLLECTIONS OF POSTAGE ON MATTER IMPROPERLY MAILED AT SECOND-CLASS RATES.

The receipts of third-class postage upon publications which were determined to be matter of the third and not of the second class, including the amount of postage collected on matter of a higher class improperly mailed with or as second-class matter, were \$20,615.48, a decrease of \$46,366.47, or 69.2 per cent from the previous year.

Under section 441 of the Postal Laws and Regulations it is required that when a publisher applies for entry of a publication to the second class of mail matter he shall deposit with the postmaster, in trust, while the case is pending, a sum of money sufficient to cover the third-class rate on the copies mailed. The purpose of this is to guard the Government against loss in case the publication should be determined to be matter of the third class and not of the second class.

AMENDMENT TO POSTAL CONVENTION BETWEEN THE UNITED STATES AND CANADA.

Prior to May 8, 1907, the rates of postage which applied to newspapers and periodicals of either Canada or the United States addressed for domestic delivery applied also to newspapers and periodicals sent from one country to the other.

On the above date, however, this arrangement was terminated at the instance of the Canadian postal administration, and a new arrangement effected which provided that the postage rate applicable to second-class matter in each country addressed for delivery in the other should be 1 cent for each 4 ounces or fraction thereof, calculated on the bulk weight of each package and prepaid by stamps affixed.

The Canadian postal administration was advised at the time that this arrangement was not satisfactory to this department, and that a restoration in whole or in part of the old conditions would be welcomed. Accordingly, on January 7, 1908, an agreement was entered into between the Dominion of Canada and this country amending article 1 of the postal convention of January, 1888, by providing that the rate of postage on legitimate daily newspapers of either country, issued as frequently as six times a week and addressed to bona fide subscribers in the other country, should be reduced to not less than 1 cent per pound or fraction thereof.

Under this amendment the 1-cent-a-pound rate has been restored to daily newspapers entered as second-class matter in this country and mailed to subscribers in Canada. So far as such papers are concerned the postage rate is now the same as it was prior to May 8, 1907.

Arrangements have also been made whereby the Canadian administration has relinquished the position which it had taken at the time of my last report in regard to the invocation of the provisions of article 4 of the postal convention, and it has now been made possible for American publishers to have their publications accepted for mailing at the following Canadian post-offices at the applicable Canadian

second-class postage rates, providing the publication is deemed by the Postmaster-General of Canada to be "legitimate."

St. John, New Brunswick.
Montreal, Quebec.
Toronto, Ontario.

Winnipeg, Manitoba.
Calgary, Alberta.
Vancouver, British Columbia.

Similar concessions have been made by this country to Canadian publishers, so that Canadian publications which meet the requirements of our domestic law governing second-class matter are, upon proper application, accorded second-class mailing privileges at the following post-offices in this country:

Boston, Mass.
Buffalo, N. Y.
Detroit, Mich.
Grand Forks, N. Dak.
Helena, Mont.
Ogdensburg, N. Y.

St. Albans, Vt.
St. Paul, Minn.
Sault Ste. Marie, Mich.
Seattle, Wash.
Spokane, Wash.

This is a restoration of the second-class mailing privileges to the publishers of all periodicals which the respective administrations regard as admissible to their mails under their own laws, it being, however, incumbent upon the publisher to lay the matter down at the office of entry in the other country at his own expense.

Therefore, while the rate of postage on copies of United States publications mailed to Canada prior to May 8, 1907, was 1 cent per pound, the present rates are as follows:

- (1) On daily newspapers, 1 cent per pound.
- (2) On publications other than daily newspapers, when entered at the stipulated Canadian post-offices, 1 cent per pound, payable at the Canadian office of entry, the mailings to be laid down at such office at the publisher's expense.
- (3) On publications other than daily newspapers mailed in this country for delivery in Canada, 1 cent for each 4 ounces or fraction thereof, calculated on the weight of each package and prepaid by stamps affixed.

The attitude of this administration has been, and will continue to be, to do everything possible to bring about the complete restoration of the old privileges, as it is believed to be in the interests of our people to remove, as far as possible, every postal barrier existing between the United States and Canada.

MAILINGS OF THIRD AND FOURTH CLASS MATTER WITHOUT STAMPS AFFIXED.

During the fiscal year ended June 30, 1908, a total of 212,909,546 pieces of third and fourth class matter, on which postage to the value of \$2,979,754.46 was paid, were mailed without stamps affixed under the provisions of the act of April 28, 1904, an increase of 9,627,567 pieces and \$241,692.58 in postage over the previous year.

As a great many authorizations for mailings without stamps affixed were never availed of, a canvass was made, and at offices where it was found no mailings had occurred and were not likely to occur the authority granted the postmaster to accept such mailings was withdrawn, thereby eliminating needless records.

DIVISION OF MONEY ORDERS.

The considerable increase in postal money order transactions exhibited in the following report bespeaks the continued and growing favor in which the system is held by the public. During the fiscal

year 1908 there were 64,864,570 domestic money orders issued, representing an increase of 2,794,787 as compared with those issued in 1907. The amount of such orders was \$498,699,637.49, or \$19,049,294.85 more than in the previous year. For the issue of these domestic money orders there were exacted fees amounting to \$3,949,001.88, an increase in this item of \$143,642.47 over the corresponding figures for 1907. Postmasters at third and fourth class post-offices are allowed by law a commission of 3 cents for each money order issued. Allowances were thus made in the aggregate sum of \$1,133,024.73, an increase over 1907 of \$17,802.81.

International money orders to the number of 3,711,640, amounting to \$88,972,388.31, were issued, representing an increase of 71,504 in number and \$4,891,677.25 in amount over like transactions in 1907. There were received in fees for the issue of these orders \$754,884.69, or \$27,644.36 more than in 1907.

The following tabulated statements give in some detail the domestic and international transactions, and show as well the net proceeds of the business for the year and the annual growth of the system since 1865.

Domestic business.

	Year ended June 30—		Increase (+) or decrease (—) in 1908.
	1907.	1908.	
Orders issued:			
Number	62,069,783	64,864,570	+ 2,794,787
Amount	\$479,650,842.64	\$498,699,637.49	+\$19,049,294.85
Orders paid and repaid:			
Number	61,993,528	64,178,450	+ 2,179,922
Amount	\$479,236,313.43	\$494,971,500.91	+\$15,735,187.48
Excess of issues over payments and repayments:			
Number	76,255	691,120	+ 614,865
Amount	\$414,029.21	\$3,728,136.58	+\$3,314,107.37
Fees received	a \$3,805,359.41	a \$3,949,001.88	+ a \$143,642.47
Average amount of orders	b \$7.73	b \$7.69	— b \$0.04
Average amount of fees	a \$0.0608	a \$0.0604	— a \$0.0004

* Including fees for orders drawn on British Guiana, Canada, Cuba, Newfoundland, the Philippine Islands, and other countries with which business is transacted on the domestic basis.

† Not including amounts of orders drawn on countries named in a.

International business.

	Year ended June 30—		Increase (+) or decrease (—) in 1908.
	1907.	1908.	
Orders issued:			
Number	3,640,186	3,711,640	+71,504
Amount	\$84,080,711.06	\$88,972,388.31	+\$4,891,677.25
Orders paid and repaid:			
Number	1,330,372	1,496,622	+166,250
Amount	\$18,223,083.72	\$23,316,576.03	+\$5,093,492.31
Excess of issues over payments and repayments:			
Number	2,309,764	2,215,018	—94,746
Amount	\$65,857,627.34	\$65,655,812.28	—\$201,815.06
Fees received	a \$727,240.33	a \$754,884.69	+ a \$27,644.36
Average amount of orders	b \$23.10	b \$23.97	+ b \$0.87
Average amount of fees	a \$0.2287	a \$0.2336	+ a \$0.0049

* Not including fees for orders drawn on British Guiana, Canada, Cuba, Newfoundland, the Philippine Islands, and other countries with which business is transacted on the domestic basis.

† Including amounts of orders drawn on countries named in a.

Duplicates and repayments.

	Number.	Increase (+) or decrease (—) in 1908.
Duplicates issued by the department:		
(1) Of orders issued and payable in the United States.....	107,710	+2,610
(2) Of orders issued in the United States payable in France.....	407	— 66
(3) Of orders issued in the United States payable in Germany.....	40	+ 7
(4) Of orders issued in the United States payable in British Guiana, Canada, Cuba, Newfoundland, the Philippine Islands, and other countries with which business is transacted on the domestic basis.....	1,605	+ 297
(5) Of orders payable in the United States issued in foreign countries, with the exception of France and those named in (4).....	2,393	+ 684
Repayments authorized by the department:*		
(6) Of orders payable in the United States issued in countries not named in (4).....	7,839	+2,030
(7) Of orders issued in the United States payable in the countries not named in (4).....	12,289	+2,802

* Domestic repaid orders are included in the statement of paid orders, and no separate record of them is kept.

Warrants issued in payment of invalid domestic orders and postal notes.

	Year ended June 30—		Increase (+) or decrease (—) in 1908.
	1907.	1908.	
Money orders.....	\$228,126.60	\$320,104.70	+\$91,978.10
Postal notes.....	75.26	56.60	—18.66

Number of offices.

	Domestic.	International.
Number June 30, 1907.....	37,572	7,931
Established during the year.....	6,565	618
Discontinued during year.....	824	61
Number June 30, 1908.....	43,313	8,488
Increase during year.....	5,741	557

NET PROCEEDS OF THE MONEY-ORDER BUSINESS.

Section 4050 of the United States Revised Statutes requires that "the Postmaster-General shall cause to be placed to the credit of the Treasurer of the United States, for the service of the Post-Office Department, the net proceeds of the money-order business." Such deposits are made quarterly upon receipt of statements from the auditor showing the sums due on this account. The following table shows the amounts thus turned in to the Treasurer in compliance with law for the fiscal year and the respective dates of deposit:

For the quarter ended—	Amount.	Date of deposit.
September 30, 1907.....	\$865,633.08	Jan. 16, 1908
December 31, 1907.....	1,072,157.40	Apr. 6, 1908
March 31, 1908.....	938,861.90	July 9, 1908
June 30, 1908.....	801,103.06	Oct. 3, 1908
Total.....	3,677,755.44	
Excess over total proceeds in year ended June 30, 1907.....	154,777.17	

In addition to the revenue above reported, there was duly deposited, in accordance with the act of January 27, 1894, with the Treasurer of the United States, the sum of \$269,058.34. This amount was in turn credited to the Post-Office Department for use as current revenues. Hence the total amount turned over to the department by the postal money-order system for use as current revenues during the fiscal year ended June 30, 1908, was \$3,677,755.44 (revenue) plus \$269,058.34 (amount of unpaid money orders) equals \$3,946,813.78.

GROWTH OF THE DOMESTIC MONEY-ORDER SYSTEM.

An act authorizing the establishment of the postal money-order system was approved May 17, 1864, and the business was put into operation on November 1 of that year. The following table exhibits the growth of the system during the forty-four years of its existence.

Year ended June 30—	Number of money-order offices in operation.	Number of domestic money orders issued.	Amount of domestic money orders issued.	Amount of domestic money orders paid and repaid.	Amount of fees for domestic orders and miscellaneous receipts.
1865.....	419	74,277	\$1,360,122.52	\$1,313,577.08	\$11,536.40
1866.....	766	246,609	3,977,250.28	3,903,890.22	35,869.06
1867.....	1,224	474,496	9,229,327.72	9,071,240.73	70,889.57
1868.....	1,468	831,937	16,197,858.47	16,118,537.03	124,503.19
1869.....	1,466	1,264,143	24,848,058.93	24,654,123.46	176,247.87
1870.....	1,694	1,671,253	34,054,184.71	33,927,924.79	235,557.05
1871.....	2,076	2,151,794	42,164,118.03	42,027,336.31	296,563.38
1872.....	2,452	2,573,349	48,515,532.72	48,419,644.97	350,499.40
1873.....	2,775	3,355,686	57,616,216.69	57,295,012.27	354,816.66
1874.....	3,069	4,420,633	74,424,854.71	74,210,156.25	462,238.64
1875.....	3,404	5,006,323	77,431,251.58	77,361,690.75	494,717.27
1876.....	3,401	4,998,600	77,035,972.78	77,106,338.85	647,021.52
1877.....	3,697	4,925,931	72,820,509.70	72,908,475.25	624,409.66
1878.....	4,143	5,613,117	81,442,364.87	81,279,910.80	716,638.98
1879.....	4,512	6,372,213	88,254,641.02	88,006,200.20	799,347.09
1880.....	4,829	7,240,587	100,352,818.83	100,165,982.78	917,091.58
1881.....	5,163	7,663,232	105,075,769.35	104,924,853.61	967,772.93
1882.....	5,491	8,420,869	113,400,118.21	113,348,301.90	1,054,538.62
1883.....	5,927	8,807,566	117,329,406.31	117,314,281.78	1,102,838.42
1884.....	6,310	7,836,694	122,121,261.98	121,971,083.80	950,479.39
1885.....	7,056	7,725,993	117,858,921.27	117,996,205.06	925,125.03
1886.....	7,357	7,940,802	113,819,521.21	113,845,463.04	922,781.97
1887.....	7,853	9,232,177	117,462,660.89	117,264,026.66	914,076.57
1888.....	8,241	9,959,207	119,649,064.98	119,743,345.25	947,816.56
1889.....	8,727	10,130,140	115,081,845.79	115,281,906.94	933,821.35
1890.....	9,382	10,624,727	114,362,757.12	114,347,631.35	951,293.63
1891.....	10,070	11,451,274	119,122,236.50	118,843,875.71	1,005,298.19
1892.....	12,069	12,069,442	120,066,801.07	120,121,754.19	1,087,027.45
1893.....	18,434	13,309,735	127,576,433.65	127,697,381.70	1,121,207.62
1894.....	19,264	14,304,941	138,793,579.49	138,725,229.29	1,212,338.19
1895.....	19,691	22,031,120	156,709,089.77	156,159,689.26	1,292,331.97
1896.....	20,802	23,962,053	172,100,649.02	171,475,476.35	1,411,466.85
1897.....	21,082	25,169,655	174,482,676.94	174,302,783.18	1,458,258.86
1898.....	28,421	27,798,078	191,364,121.63	190,678,429.08	1,600,558.13
1899.....	26,784	29,007,370	211,213,592.84	211,458,156.83	1,718,045.49
1900.....	29,649	32,060,983	238,921,009.67	238,022,043.78	1,915,462.60
1901.....	30,529	35,586,379	274,546,067.34	273,582,258.02	2,147,215.10
1902.....	31,680	40,474,327	313,561,279.88	313,220,488.68	2,458,697.52
1903.....	34,547	45,941,681	353,627,648.03	353,173,320.52	2,801,705.64
1904.....	35,094	50,392,554	378,778,488.84	378,511,407.13	3,040,606.08
1905.....	36,432	53,379,327	396,903,433.80	396,817,107.42	3,213,380.43
1906.....	37,444	58,461,453	444,515,790.60	442,338,675.28	3,558,269.69
1907.....	37,572	62,069,783	479,650,342.64	479,236,313.43	3,811,056.95
1908.....	48,313	64,864,570	498,699,637.49	494,971,500.91	3,951,430.98
Total.....		768,891,350	6,756,399,298.87	6,745,253,031.89	

MONEY ORDERS INCORRECTLY PAID.

From the table below it will be seen that this bureau passed upon 614 cases of alleged erroneous payment of money orders, amounting

to \$11,528.34; that 416 of such orders were found to have been improperly paid, while 198 of them were correctly paid in the first instance. There were 65,670,072 orders paid during the year; hence the number improperly paid was in the ratio of 1 to over 157,000. In only 7 cases, aggregating in amount \$265.75, did investigation warrant the department in assuming the loss.

Result of investigation.	Number.	Amount.
Recovered	272	\$4,394.71
Properly paid	198	4,804.63
Charged to paying postmaster	123	1,826.98
Charged to payee	8	122.12
Department assumes loss	7	265.75
Charged to remitter	5	84.20
Charged to issuing postmaster	1	30.00
Total	614	11,528.34

TRANSFERS BETWEEN MONEY-ORDER AND POSTAL ACCOUNTS.

Section 1100 of the Postal Laws and Regulations very properly provides that when in need of funds with which to effect payment of money orders drawn on his office the postmaster may transfer available postal funds to his money-order account, while, on the other hand, section 1101 authorizes a postmaster to transfer funds from the money-order to the postal account when the available general funds of his office are insufficient to pay postal-account expenses. The auditor for this department reports the total amount of transfers made during each quarter, and the resulting balance is in the one case duly repaid by the deposit of money-order funds to an equal amount with the assistant treasurer at New York, N. Y., to the credit of the Treasurer of the United States for the service of the Post-Office Department, while if due by the postal to the money-order account it is adjusted by transfer from the former to the latter account in the office of the postmaster at New York. Transfers from postal to money-order account during the year aggregated \$6,397,959.41, and from money-order to postal account \$6,493,953.50.

MONEY-ORDER DRAFTS DRAWN ON THE POSTMASTER AT NEW YORK, N. Y.

It frequently happens that the available money-order and postal receipts combined are insufficient to promptly honor all orders drawn on a postmaster, in which case he is granted a credit on money-order account with the postmaster at New York, who during the year paid 59,006 drafts against such credit, aggregating in amount \$32,411,666.27.

RESERVES.

It is the constant aim of the department to see that money orders are promptly paid on due presentation, and at certain offices it is necessary that a fixed sum be held in reserve to meet unusual conditions due to the fluctuating character of the business. In such cases the department grants the required reserve, which manifestly varies greatly in amount, the minimum being \$25 and the maximum \$300,000, and a large asset of the system is represented by the aggre-

gate of reserves. On June 30, 1908, the amount thereof was \$3,123,755. Under section 1115 of the Postal Laws and Regulations postmasters are directed to exercise good judgment in the matter of withholding the authorized reserve from deposit and advised that only such portion thereof should be retained as is necessary to provide for the payment of orders.

REMITTANCES OR DEPOSITS OF SURPLUS MONEY-ORDER FUNDS.

As a general proposition, most of the issuing of money orders is done at the smaller offices and the paying at the larger offices. It is necessary, therefore, that the latter must at all times be in possession of funds to meet these payments. As a means to that end, all surplus money-order funds, except when the amount is less than \$50, in the hands of postmasters must be deposited or remitted daily. Offices receiving such remittances are known as depositories, and they in turn remit their surplus money-order funds to another large office, the final depository being the post-office at New York. Under the present system of transfer from one office to another these funds on an average pass through about three depositories. The aggregate number of certificates of deposit issued by money-order depositories during the year was 2,317,421, aggregating in amount \$545,645,306.80.

LOSS OF MONEY-ORDER FUNDS IN TRANSIT. OR BY FIRE, BURGLARY, ETC.

By authority of law the Postmaster-General allows postmasters credit for the amount of money-order funds lost in transit, or by burglary, fire, or other casualty, provided investigation shows that the loss sustained was not due to fault or negligence on the part of any employee of the department and the claim has been certified by the Assistant Attorney-General. During the year allowances of such claims were made amounting in the aggregate to \$18,088.87.

INTERNATIONAL MONEY-ORDER CONVENTIONS.

Conventions are in force for the direct exchange of international money orders between the United States and 57 countries, which provide also for business with their colonies and dependencies. In addition, the leading postal administrations have agreed to act as intermediaries for the United States in maintaining indirect exchange with nearly all other countries in which money-order systems have been established.

FOREIGN EXCHANGE.

In conducting its large business with foreign countries under duly executed conventions, the United States is constantly the debtor, in considerable sums, to most of the countries of Europe, and also to Japan and Newfoundland, while on the other hand the British colonies as well as Canada, Cuba, the Philippine Islands, the Canal Zone, and the Central and South American states are generally debtors to this country. Payment of balances due on money-order account are in the main made by means of bills of exchange drawn on financial centers, such as London, Paris, Berlin, New York, etc., and occasionally, at the request of the creditor country, by deposits of

money with such financial agents as it may designate. In thus liquidating its indebtedness to foreign countries this department purchases exchange from certain reliable banking houses in New York, N. Y., and during the year \$73,312,143.55 worth, or \$4,945,235.30 more than during the preceding year, was thus bought at advantageous rates, with the result that \$324,244.03 was gained.

CHANGES IN THE INTERNATIONAL SYSTEM.

During the fiscal year ended June 30, 1908, a new convention was concluded with the Colony of Trinidad and Tobago by which the exchange of money orders was placed upon the domestic basis; such convention took effect July 1, 1908.

Negotiations for the inauguration of an exchange of money orders with the Danish West Indies on this system were resumed, but have not yet been brought to a satisfactory conclusion.

Correspondence was initiated in March, 1908, with the Mexican postal administration with a view to transferring the exchange of money orders with that Republic from the international to the domestic system. Negotiations with the same object in view, which were continued with the British post-office department, have not as yet borne fruit.

By agreement with the postal administrations of Germany, Hong-kong, and Portugal, the commission allowed for money orders paid was reduced from one-half of 1 per cent to one-fourth of 1 per cent of the aggregate amount of the orders, and this department was consequently enabled on October 1, 1907, to make a corresponding reduction in the fees charged for orders payable in these countries and at the German post-office at Apia, Samoa.

There are now 24 countries with which the reduced rates of fees (from 8 cents for \$10 to 50 cents for \$100) are in operation, namely:

Apia.	Germany.	New Zealand.
Austria.	Hongkong.	Norway.
Belgium.	Hungary.	Orange River Colony.
Bolivia.	Japan.	Peru.
Chili.	Liberia.	Portugal.
Costa Rica.	Luxemburg.	Sweden.
Denmark.	Mexico.	Switzerland.
Egypt.	Netherlands.	Transvaal.

Of the 13 remaining countries, for which the higher scale of fees (from 10 cents for \$10 to \$1 for \$100) is still charged, Greece has accepted in principle the reduction to the lower scale, but the final steps are delayed until legislative ratification of such action has been obtained by the Greek postal administration.

To facilitate the work of the auditor's office in checking the particulars of international orders issued in the United States, the details of the exchange office lists have been rearranged so as to bring the columns referring to the amounts in juxtaposition with the columns containing the numbers and dates of the orders.

MONEY-ORDER BUSINESS WITH LIBERIA SUSPENDED.

Owing to embarrassing financial conditions in Liberia that Republic notified this country on June 29, 1907, that it was found necessary to suspend the issue of money orders on the United States. At that

time Liberia was indebted to this country on money-order account, but in the hope that matters would soon be adjusted this department continued to issue money orders on Liberia. The demand for such orders, however, was slight, and owing to the continued delay on the part of the debtor country in liquidating its indebtedness, this department was compelled on April 1, 1908, to notify the Liberian postal administration, in accordance with convention stipulations, that effective May 1, 1908, the issue of money orders drawn thereon by postmasters in this country would be suspended. The matter of collection from Liberia of the amount due the United States was placed in the hands of the State Department, with the result that formal demand for immediate settlement has been made and that the United States has received assurances that the demand will receive early attention.

SAVINGS FEATURE OF THE MONEY-ORDER SYSTEM.

As an evidence of the public demand for postal savings banks it appears that many patrons of the postal money-order system temporarily deposit funds for safe-keeping by obtaining money orders, for which, of course, they pay the fee prescribed by law. The purchaser has simply to have a money order drawn in his favor, knowing that the amount thereof will be refunded on demand. Such an order may also be indorsed and payment will be made thereon to the indorsee, or if lost, a duplicate or a warrant will be issued without cost.

The department has for some time, in the absence of postal-savings banks in this country, encouraged the savings feature of the postal money-order system, and it should be borne in mind that the sums thus converted into money orders are not lost to the circulating medium. Postmasters are allowed to retain on deposit some millions of dollars in the shape of "reserves" on money-order account, and these reserves are as a rule deposited in national banks, thus making such funds available for commercial use.

In an effort to obtain fairly reliable figures representing the number and amount of postal money orders issued for savings purposes, a circular letter was addressed in March, 1908, to the postmaster at each of the first and second class post-offices, calling for a conservative estimate based upon calculations made after examination of certain files covering the twelve months from March 1, 1907, to March 1, 1908. As a result of this action it is interesting to note that no less than 128,146 money orders aggregating in amount \$8,104,447, were issued at the first and second class offices alone for savings purposes during the twelve months in question.

COST OF OPERATING THE SYSTEM.

In my previous annual report attention was called to the fact that it had been alleged "that the postal money-order system is being conducted at a financial loss to the Government of \$1,000 per day," and that in consequence statistics were being collected and compiled which when collated would enable the department to somewhat definitely ascertain the cost of operating its money-order system. I

also stated in that report that "the system is in no sense a public burden."

Without attempting to encumber this report with a detailed statement of the course pursued in arriving at the results attained, it is extremely gratifying to be able to state that, after careful investigation of the entire matter, there can be no doubt that during the fiscal year ended June 30, 1907—the last complete year for which figures were available at the time the matter was investigated—the total receipts of the money-order system exceeded by more than \$500,000 the total expense properly chargeable to that system. This, it would seem, should effectually confute the allegations made that the business is conducted at a loss.

The real cost of the money-order system, as an auxiliary to our postal system, is the net amount which would be saved to the department if the money-order system were eliminated. On this basis the expense would be much less than that considered, and the gain would be correspondingly greater.

COOPERATION OF MONEY-ORDER AND REGISTRY SYSTEMS.

Continued good results are in evidence of the arrangement made in May, 1907, by which the assistant superintendents of the Division of Registered Mails are required to report upon the conduct of money-order as well as registry business at post-offices and stations visited. This, together with the warning contained in Postmaster-General's Order No. 363, of May 24, 1907, that postmasters and their employees must not speak disparagingly of the registry and money-order systems and the requirement therein contained, that they must "recommend to the public that postal money orders be used whenever available instead of cash for remittances by mail, and when postal money orders are not available that money should be sent by registered mail," has accomplished the desired result. The money-order and registry services now operate together for a common good under the most harmonious relations.

RECOMMENDATIONS FOR IMPROVED SERVICE.

PROPOSED POSTAL NOTE.

Recognizing the continued demand on the part of the public for a postal note, or some form of postal remittance which will obviate the necessity for sending postage stamps and coins through the mails, result in great diminution of the amount of actual money transmitted through ordinary mails, and furnish a means for the transmission of small sums of money not exceeding \$2.50 more cheaply and with less inconvenience than is afforded by the postal money order, I urgently renew the recommendation made in my report for the fiscal year ended June 30, 1907, that a postal note bill like the following be speedily enacted into law:

A BILL To provide additional facilities for the transmission of small sums through the mails.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to facilitate the transmission of small sums through the mails the Postmaster-General shall be, and is hereby, empowered to authorize postmasters at money-order offices, and at such other offices as he may designate, under such regulations as he may from time to time pre-

scribe, to issue money orders, without corresponding advices, on a form to be prescribed and furnished by him, and a money order issued on such form shall be designated and known as a "postal note," and, in addition to its face value, a fee, to be fixed by the Postmaster-General, but not to exceed two cents, shall be charged for each postal note issued, except that postal notes for amounts less than ten cents may be issued without fee, at the discretion of the Postmaster-General: *Provided*, That postal notes issued under the provisions of this act shall be for fixed amounts not above two dollars and fifty cents, and shall be redeemable or payable at any money-order post-office, or at any other post-office designated by the Postmaster-General for the purpose of redemption or payment thereof, but shall not be negotiable or transferable through indorsement: *And provided further*, That such postal notes shall not be payable after the expiration of six calendar months from the last day of the month of their issue.

Sec. 2. After a postal note has once been paid, the United States shall not be liable on account of any further claim for the amount thereof.

Sec. 3. Postmasters at offices of the third and fourth classes may be allowed as compensation for issuing postal notes such part of the fees thereon as the Postmaster-General may prescribe, but such commissions shall not exceed the rate of one dollar per hundred notes, and no commission shall be allowed for the sale of postal notes issued without fee.

Sec. 4. A duplicate of a postal note which has become invalid by reason of age may be issued to the owner of the original by the Post-Office Department under such regulations as the Postmaster-General may prescribe. In like manner, provided application therefor be made before the expiration of six months from the date when the original would have become invalid by reason of age, upon production of such proof of ownership and loss or destruction as the Postmaster-General may require, a duplicate may be issued in lieu of a postal note which has been lost or destroyed; but no duplicate shall be issued within the period during which the original would have been payable on presentation in due form, nor at any time in lieu of a postal note for which no fee has been paid. An additional fee equal to the fee charged for the original shall be exacted for the issue of a duplicate postal note. Each duplicate issued shall be valid for the same length of time as was the original and no longer. In case of nonpayment of the duplicate within the period of its validity, however, it may be renewed upon surrender of the same to the Post-Office Department with an application in due form for renewal thereof.

Sec. 5. All provisions of the statutes relating to money orders, so far as the same may be applicable and not inconsistent with the provisions of this act, shall apply to the postal notes herein described.

Sec. 6. That the sum of one hundred and fifty thousand dollars, or so much thereof as may be necessary, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to be used and expended as the Postmaster-General may direct, for carrying into effect the provisions of this act during the fiscal year ending June thirtieth, nineteen hundred and ten: *Provided*, That of said amount not exceeding twenty thousand dollars may be used in payment of the salaries of one postal-note agent and necessary assistants, and such additional clerks as for the purposes of this act may be required in the Post-Office Department.

PROPOSED ELIMINATION OF "ADDITIONAL CONDITION" IN BONDS OF POSTMASTERS AT MONEY-ORDER OFFICES.

Under the law (sec. 3834, R. S.) the bond of a postmaster at a money-order office "shall contain an additional condition for the faithful performance of all duties and obligations in connection with the money-order business." Inasmuch as all postmasters' bonds are conditioned for the faithful discharge of all duties and trusts imposed upon them either by law or the rules and regulations of the Department and are for a single sum only, it would seem that it is time to do away with the unnecessary and embarrassing requirement covered by the specific "additional condition" above mentioned, and that there is no more reason for its retention than there would be for the insertion in postmasters' bonds of additional conditions applicable to other branches of the service.

I therefore renew my recommendation of last year "that Congress be asked to amend section 3834 of the Revised Statutes by striking therefrom the following words:

and where an office is designated as a money-order office, the bond of the postmaster shall contain an additional condition for the faithful performance of all duties and obligations in connection with the money-order business."

EXTENSION OF SYSTEM.

On June 14, 1907, the Postmaster-General's Order No. 431 was issued in recognition of the public demand that the facilities offered for safely transmitting money through the mails by means of postal money orders be extended, and it is gratifying to state in this connection that the steps which were promptly taken to carry out the order in question have resulted in adding during the fiscal year nearly 6,000 offices to the list of those previously authorized to transact postal money-order business. It is worthy of note also that such result bears out the estimate made in my last annual report that "in carrying out the plan adopted not less than 5,000 more (money-order offices) will have been added within a year * * *."

It seems pertinent to ask why all post-offices should not be money-order offices. Under the law all post-offices are required to transact registry business—why not money-order business?

At the suggestion of the Bureau of Navigation of the Navy Department, the advisability of extending the postal money-order service to commissioned vessels of the navy in domestic or foreign waters was considered. The Postmaster-General and the Secretary of the Navy having mutually agreed that the power to issue such postal money orders should be restricted to pay officers of the navy, who are bonded officers of that service, the authority of Congress for the purpose was sought, and a bill containing the necessary provisions was introduced in the Senate and referred to the Committee on Post-Offices and Post-Roads. Owing to the great press of business at the close of the session, the measure did not receive consideration, but it is hoped that it may be favorably acted upon at the coming session.

DIVISION OF REGISTERED MAILS.

The reports from postmasters show the following registry business for the fiscal year ended June 30, 1908:

Paid registrations:

Domestic letters.....	24, 853, 173
Domestic parcels.....	6, 850, 621
Foreign letters.....	3, 666, 255
Foreign parcels.....	744, 861

Total number of paid registrations.....	36, 123, 910.
Official letters and parcels registered free.....	4, 027, 887

Total number of letters and parcels registered, paid and free.....	40, 151, 797
Distribution letters and parcels re-registered free ^a	1, 161, 058

Aggregate number of letters and parcels registered, paid, official free, and distribution free.....	41, 312, 855
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Total free and distribution.....	5, 188, 945
Amount collected for registry fees.....	\$2, 889, 912. 80

^a This item is a new one and appears for the first time in this annual report.

Compared with the registry business transacted during the fiscal year ended June 30, 1907, these figures show the following increases:

Domestic letters.....	1,342,765
Domestic parcels.....	620,823
Letters for foreign destinations.....	58,366
Parcels for foreign destinations.....	71,377

Total increase in the number of letters and parcels on which registry fee was paid.....	2,093,831
Per cent of increase in number of paid registrations.....	6.12
Increase of registry fees.....	\$167,466.48
Increase in combined items, official registered free, and distribution reregistered free over official free of previous year.....	963,875
Per cent of increase of aggregate free registrations.....	22.81
Increase in the aggregate number of letters and parcels registered, paid, official free, and distribution free.....	3,057,206
Per cent of increase of aggregate number of letters and parcels registered, paid, official free, and distribution free.....	7.99

GROWTH OF THE REGISTRY SYSTEM.

The following table shows the growth of the registry system since 1876, prior to which date no statistics were regularly compiled in annual reports:

Year.	Number of post-offices.	Number of registrations.		Total paid and free.	Fees received.
		Paid.			
		Domestic.	Foreign.		
			Free.		
1876	36,383	3,198,931	155,235	653,551	4,007,817
1877	37,345	3,528,180	145,908	673,739	4,348,127
1878	39,258	3,996,901	153,993	748,810	4,898,904
1879	40,855	4,430,376	166,781	831,665	5,429,022
1880	42,989	5,699,774	267,969	1,038,770	6,996,513
1881	44,512	6,804,510	324,312	1,210,096	8,338,918
1882	46,231	7,999,597	415,382	1,212,948	9,627,922
1883	47,363	8,797,902	467,595	1,329,219	10,594,716
1884	50,017	9,074,303	496,390	1,675,352	11,246,545
1885	51,252	8,777,370	511,614	1,754,272	11,043,256
1886	53,614	9,153,907	545,620	1,948,700	11,648,227
1887	55,157	9,737,139	609,629	2,177,653	12,524,421
1888	57,376	10,531,986	719,568	2,425,625	13,677,169
1889	58,999	10,773,199	737,626	2,551,041	14,061,866
1890	62,401	11,365,652	798,517	2,782,912	14,947,061
1891	64,329	11,509,246	879,321	2,658,535	15,047,602
1892	67,119	11,612,032	931,978	2,716,084	15,269,094
1893	68,403	11,774,360	1,028,084	2,759,016	15,561,410
1894	69,305	11,612,186	949,252	2,589,116	15,050,564
1895	70,064	10,828,187	916,338	2,683,566	14,428,081
1896	70,360	11,154,355	1,037,406	2,913,975	15,106,336
1897	71,022	10,669,773	1,020,683	2,868,677	14,559,083
1898	73,570	11,420,990	1,056,508	3,122,722	15,600,220
1899	75,000	12,238,684	1,172,400	2,674,938	16,086,022
1900	76,088	13,906,388	1,456,548	3,029,713	18,422,649
1901	76,945	15,957,126	1,660,152	3,197,223	20,814,501
1902	75,924	17,636,071	1,992,072	3,203,257	22,831,400
1903	74,169	19,940,305	2,449,148	3,561,825	25,951,178
1904	71,131	21,601,667	2,794,070	3,818,133	28,213,870
1905	68,131	23,324,040	3,014,115	3,862,022	30,200,177
1906	65,600	26,343,453	3,606,458	4,215,573	34,165,484
1907	62,559	29,749,06	4,281,373	4,225,070	38,255,649
1908	61,158	31,712,794	4,411,116	4,027,387	40,151,797

Under the original act establishing the registry service the registration fee was fixed at 5 cents; subsequently, by act of March 3, 1863, it was fixed at not to exceed 20 cents. By order of the Postmaster-General the fee was reduced to 15 cents on January 1, 1869, and to 8 cents on January 1, 1874; it was increased to 10 cents October 1, 1875, and reduced to 8 cents January 1, 1893.

Free registration was extended to all executive departments located at Washington, D. C., by act of Congress of July 5, 1884. Prior to that date free registration was restricted to the official business of the Post-Office Department.

FREE REGISTRATIONS.

For the first time in the history of the registry service the free registrations for this fiscal year are divided under two items: "Official registered free," and "Distribution re-registered free." All registered mail, whether originally registered free or upon which the registry fee was paid at the office of mailing, when missent and forwarded to some other office, returned to writer, forwarded, or sent to the Fourth Assistant Postmaster-General, Division of Dead Letters, is required by the regulations to be re-registered free, and some postmasters in rendering their reports to the Department were including such matter upon which the fee had been paid at the office of origin in the item "free registrations." As this condition resulted in a misstatement of the facts as to free registrations, postmasters were required for the fiscal year 1908 to report the free registrations under separate items, namely, official matter entitled to free registration, and distribution re-registered free matter upon most of which the registry fee was originally paid.

The total free registrations this year show an increase of 963,875 pieces, or 22.81 per cent, over the total free registrations for the previous year, but the official free registrations upon which no registry fee was paid, reported for this year, as compared with the free registrations reported last year, show a decrease of 197,183 pieces, or 4.66 per cent. This is conclusive evidence that the free registrations reported in the past have been incorrect, as not showing the actual matter that was entitled by law to registration without the payment of the registry fee. The aggregate registrations, paid and free, reported in the past were also in error to the same extent, but future reports of this character will show the actual facts.

VOLUME OF THE REGISTRY BUSINESS.

The total number of letters and parcels—domestic, foreign, official free, and distribution re-registered free—registered in each State and Territory of the United States during the fiscal year, and the increase and decrease in each State and Territory compared with the preceding year, as well as a recapitulation of the whole, is shown by the following table:

Number of registered letters and parcels transmitted through the mails from each State and Territory of the United States during the fiscal year ended June 30, 1908.

State or Territory.	Domestic.		Foreign.		Official free.	Distribution free.	Grand total of letters and parcels registered.	Fees received.	Increase.	
	Letters.	Parcels.	Letters.	Parcels.					Paid letters and parcels.	Fees.
Alabama.....	366,896	69,524	10,243	1,701	44,445	7,325	492,809	\$35,869.12	2,479	\$198.32
Alaska.....	48,443	5,601	1,767	78	7,767	1,206	78,786	6,016.92	17,167	1,873.36
Arizona.....	116,085	32,407	19,674	2,393	9,596	6,802	178,565	13,637.62	11,464	9,17.12
Arkansas.....	325,023	57,104	3,727	2,393	36,488	7,324	422,904	30,913.28	3,681	\$294.48
California.....	1,117,308	429,749	282,891	33,309	138,137	78,414	1,951,394	145,080.56	198,586	16,482.86
Colorado.....	841,307	101,794	37,173	4,495	24,004	24,111	608,773	88,781.62	48,469	3,479.12
Connecticut.....	858,027	113,614	116,869	8,630	37,178	11,866	684,218	87,783.20	52,081	4,162.48
Delaware.....	48,763	5,765	3,741	7,835	3,408	1,010	61,892	4,678.72	802	64.16
District of Columbia.....	207,138	55,122	14,087	7,935	923,899	55,324	2,778,16	22,738.16	27,660	2,212.80
Florida.....	290,236	99,125	17,083	2,416	23,965	8,562	432,765	32,704.80	51,068	4,065.44
Georgia.....	371,986	92,057	5,610	1,541	44,226	8,503	615,420	37,696.62	14,168	1,133.44
Guam.....	770	255	80	15	69	2,151	1,189	6,919.60	89	90.60
Hawaii.....	35,172	13,622	36,475	1,226	5,829	6,632	92,324	16,967.28	9,338	747.04
Idaho.....	156,894	34,360	8,810	1,627	12,484	6,632	212,075	204,643.28	142,821	11,386.68
Illinois.....	1,406,619	811,538	249,769	91,095	156,667	47,041	2,718,708	686,751	42,716.20	22,682
Indiana.....	397,800	110,967	31,612	4,161	62,811	12,670	562,751	41,637.36	37,201	1,976.08
Iowa.....	384,268	135,403	16,613	3,013	43,094	15,499	562,311	38,705.60	12,836	986.88
Kansas.....	259,283	81,203	16,711	1,673	40,201	13,236	399,271	28,720.60	17,130	4,670.40
Kentucky.....	392,696	84,049	4,826	1,046	35,230	6,230	517,847	32,583.76	22,170	1,773.76
Louisiana.....	494,399	68,743	26,674	4,126	37,089	12,471	630,981	82,746.48	8,922	1,288.24
Maine.....	346,071	38,531	20,871	1,624	31,904	12,649	439,201	136,026.28	15,728	\$1,621.20
Maryland.....	387,050	20,920	1,717	35,351	132,703	7,097	507,182	37,746.48	20,265	873.20
Massachusetts.....	1,207,778	166,649	283,837	42,152	132,703	28,024	892,680	64,708.72	10,915	2,734.16
Michigan.....	1,641,250	194,857	68,833	10,869	88,921	17,888	686,967	49,212.64	34,177	2,436.24
Minnesota.....	424,067	137,363	48,584	5,194	43,799	18,968	686,967	94,360.40	30,828	18,084.16
Mississippi.....	338,600	56,652	38,890	400	36,276	6,977	470,808	34,762.56	226,052	3,282.92
Missouri.....	783,508	320,180	59,263	16,554	207,205	128,869	1,386,710	26,165.76	41,085	3,282.92
Montana.....	208,141	67,301	23,431	1,742	14,221	11,616	309,888	26,165.76	30,724	1,202.80
Nebraska.....	231,627	76,888	16,245	2,187	25,068	19,902	352,033	17,502.16	15,035	1,106.56
Nevada.....	178,608	31,247	12,864	1,038	8,428	6,890	227,205	15,362.16	1,332	\$11,859.52
New Hampshire.....	154,558	17,110	19,063	1,846	13,618	3,890	206,695	85,786.20	\$141,994	\$1,859.52
New Jersey.....	780,941	127,880	187,162	26,332	56,249	36,784	1,124,564	85,786.20	35,437	2,684.96
New Mexico.....	158,819	28,486	6,432	799	8,265	7,554	197,801	15,162.88	552,569	44,206.52
New York.....	4,026,627	1,868,355	1,116,953	327,960	381,543	206,833	7,228,438	81,845.60	\$6,375	\$430.00
North Carolina.....	331,851	67,583	2,004	327,432	32,091	6,160	423,911	20,001.92	21,448	1,715.44
North Dakota.....	204,372	31,944	116,223	810	21,296	7,101	271,320	106,419.36	106,642	8,467.36
Ohio.....	986,980	254,161	12,223	22,938	614,867	31,126	1,845,109	\$7,991.20	78,760	6,800.00
Oklahoma.....	410,664	67,616	6,815	2,895	57,160	17,461	632,050	26,584.00	50,462	\$4,036.96
Oregon.....	226,055	78,653	25,363	2,354	22,962	10,102	385,287	244,781.92	\$4,034	\$322.72
Pennsylvania.....	2,187,680	388,292	420,167	63,685	251,889	78,129	3,311,713			

* Estimated.

* Decrease.

Number of registered letters and parcels transmitted through the mails from each State and Territory of the United States, etc.—Continued.

State or Territory.	Domestic.		Foreign.		Official free.	Distribu- tion free.	Grand total of letters and parcels registered.	Fees received.	Increase.	
	Letters.	Parcels.	Letters.	Parcels.					Paid letters and parcels.	Fees.
Porto Rico.....	56,694	18,653	13,434	2,328	8,946	1,797	100,065	\$7,288.72	8,006	\$640.48
Rhode Island.....	186,686	46,915	48,864	6,436	16,210	5,838	316,123	23,913.04	19,166	1,683.20
Samoa ^b	572	88	184	9	14	.....	667	52.24	.....	.....
Shanghai, China.....	6,091	4,777	352	172	369	.....	11,761	911.36	.....	.....
South Carolina.....	208,005	37,186	1,692	300	24,062	3,868	266,264	19,874.56	10,077	806.16
South Dakota.....	139,456	30,870	7,116	612	12,866	5,555	190,440	14,204.82	15,902	1,272.16
Tennessee.....	349,026	87,450	5,944	1,230	38,295	8,477	481,935	35,492.00	22,213	1,777.04
Texas.....	620,960	166,191	31,563	9,464	76,316	26,802	804,024	66,176.64	84,986	2,798.88
Utah.....	143,447	42,122	20,416	1,840	12,804	18,054	220,629	16,628.00	32,863	2,629.04
Vermont.....	117,214	20,100	11,312	694	14,207	7,566	163,527	11,926.60	1,387	106.96
Virginia.....	564,180	106,581	11,899	2,127	38,698	10,070	723,685	54,782.96	4,476	358.08
Washington.....	422,273	66,580	6,831	44,735	44,421	628	688,619	51,610.72	111,840	8,907.20
West Virginia.....	499,000	89,671	26,477	2,492	31,250	6,269	596,880	46,410.40	.....	.....
Wisconsin.....	347,180	113,834	42,847	7,924	53,019	14,187	564,804	40,942.80	8,235	660.40
Wyoming.....	107,772	20,113	11,328	708	6,856	3,169	146,277	11,193.68	19,152	1,532.16
Total.....	24,853,178	6,859,621	3,666,255	744,861	4,027,887	1,161,058	40,151,797	2,899,912.80	2,093,331	167,466.48

RECAPITULATION.

	Increase.	
	Letters and parcels.	Percent.
Paid:		
Domestic letters.....	24,853,178	5.71
Domestic parcels.....	6,859,621	9.98
Foreign letters.....	3,666,255	1.62
Foreign parcels.....	744,861	10.59
Total.....	36,123,910	6.12
Total letters and parcels registered free.....	4,027,887	22.81
Distribution letters and parcels registered free ^c	1,161,058	7.99
Aggregate number of letters and parcels registered, paid, official free, and distribution free.....	41,312,855	6.12
Fees received.....	\$2,899,912.80	\$167,466.48

^a Decrease.

^b Estimated.

^c This is a new item, and appears for the first time in this report.

MONEY AND MONEY VALUES SENT IN THE REGISTERED MAIL.

The following table shows the number and value in money and stamped paper of letters and parcels sent by registered mail during the fiscal year ended June 30, 1908, for the Post-Office and Treasury departments:

	Number of packages.	Value.
Postal funds received at post-office depositories		\$7,071,389.75
Postage stamps from Division of Stamps	275,864	143,281,118.70
Stamped envelopes from the Hartford, Conn., and Dayton, Ohio, agencies, and the subagency at St. Louis, Mo.	430,070	22,352,060.40
Stamped envelopes dispatched by freight to five cities from which they were distributed to postmasters by registered mail		1,310,038.04
Postal cards from the agency at Rumford, Me., and the subagencies at Cincinnati, St. Louis, Troy, and Washington	116,184	5,151,001.05
Surplus money-order funds remitted for deposit		546,158,672.58
Total for Post-Office Department	822,118	725,324,275.47
Secretary of the Treasury:		
Received	9,388	96,178,287.77
Sent	2,650	397,949.12
Register of the Treasury:		
Received	2,167	27,216,146.86
Sent	3,443	34,794,140.00
Commissioner of Internal Revenue:		
Received	6,742	19,457,110.84
Sent	116,161	266,750,402.89
Comptroller of Currency:		
Received	2,278	29,440,859.00
Sent	358	16,486,682.00
Auditor for Post-Office Department:		
Received	11,969	10,317.19
Sent	1,495	35,535.29
Treasurer of the United States:		
Received	16,680	65,015,239.69
Sent	21,186	81,604,882.07
Assistant treasurers of the United States:		
Received	71,452	25,080,476.39
Sent	17,809	1,008,282,741.84
Total for Treasury Department	283,768	1,615,650,770.45
Aggregate	1,105,886	2,340,975,045.92

CARRIER REGISTRATION.

The following table shows the extent to which the public has availed itself of the opportunity of registering letters by city carriers since January 15, 1900, when city carrier registration was first put in operation. The figures for the year 1900 are for a period of five and one-half months only, from January 15 to June 30, 1900.

Year.	Number of post-offices.	Number of carriers.	Number of letters registered.	Average for each office.
1900	789	14,264	75,820	95
1901	866	16,889	237,716	274
1902	933	17,785	317,942	341
1903	1,082	19,540	379,169	367
1904	1,000	20,761	444,584	404
1905	1,144	21,776	462,692	404
1906	1,184	22,945	514,827	434
1907	1,240	24,577	570,827	459
1908	1,330	26,362	648,647	404

Out of 39,278 rural routes in operation during the year at 16,365 post-offices, where 39,143 rural carriers were employed, reports have been received from postmasters showing the following registry business transacted during the year by 38,508 rural carriers:

Letters and parcels registered.....	945, 424
Registered letters and parcels delivered.....	1, 267, 979
Registered packages handled in transit.....	340, 095
Total registered pieces handled by rural carriers.....	2, 553, 498

Fifty-three pieces of mail were registered by marine carriers during the year at Detroit, Mich., the only office where mail is so registered.

HANDLING REGISTERED MAIL ON BOARD UNITED STATES NAVAL VESSELS.

In accordance with the provisions of the appropriation act approved May 27, 1908, instructions have been issued for the government of "navy mail clerks" and "assistant navy mail clerks" in the handling of registered mail on board United States naval vessels.

The introduction of the postal service on board naval vessels, under rules and regulations prescribed by the Post-Office Department governing postmasters, is considered a decided improvement. It is believed that registered matter will be handled and recorded to and from and on board such vessels with more satisfaction both to the Navy and Post-Office departments than in the past.

COLLECTION OF DEFICIENCIES ON SHORT-PAID REGISTERED MATTER.

The following statement shows the transactions in adjusting deficiencies on short-paid registered matter during the fiscal year:

Outstanding June 30, 1907, on account of deficiencies on domestic matter.....	\$167. 88
Deficiencies on domestic matter reported during the year.....	1, 294. 23
Deficiencies on foreign matter reported during the year.....	884. 48
Total.....	2, 346. 59
Deficiencies on domestic matter collected during the year.....	1, 451. 87
Outstanding June 30, 1908, on account of deficiencies on domestic matter during the year.....	6. 68
Deficiencies on matter sent to foreign countries certified to the Auditor for Post-Office Department for charges in postmasters' accounts.....	884. 48
Deficiency charges on domestic matter canceled during the year.....	4. 06
Total.....	2, 346. 59
Total amount of domestic deficiencies reported during the fiscal year ended June 30, 1907.....	1, 750. 96
Total amount of domestic deficiencies reported during the fiscal year ended June 30, 1908.....	1, 294. 23
Decrease.....	456. 73
Total amount of foreign deficiencies reported during the fiscal year ended June 30, 1907.....	1, 345. 39
Total amount of foreign deficiencies reported during the fiscal year ended June 30, 1908.....	884. 48
Decrease.....	460. 91

The total number of domestic deficiency cases acted on during the year was 37,418, a decrease of 2,653 over the preceding year. The total number of foreign deficiency cases acted on during the year was 12,907, a decrease of 3,193 over the preceding year.

During the year the past practice of the department in requiring the collection of deficiency in postage on short-paid domestic registered matter from the addressee and reporting any deficiency in the registry fee to the department for collection from the mailing postmaster as a penalty for his neglect was changed so as to require the entire deficiency in both postage and registry fee to be collected from the addressee upon delivery. The new regulation became effective April 1, 1908, and applied only to the final quarter of the fiscal year covered by this report.

LOSSES IN THE REGISTERED MAILS.

Information furnished by the chief inspector shows that during the fiscal year 1908, 45,533 complaints were received relating to registered matter mailed at or addressed to United States post-offices. During the same period there were 46,191 complaints of this class closed. Of the 46,191 complaints closed, 8,665 were found to involve losses. Recoveries in the latter complaints were made and the value of the lost articles restored to the owners as follows:

Through office of chief inspector.....	1,560
Through Division of Dead Letters.....	126
Through inspectors in the field and postmasters.....	1,154
Through indemnity.....	454
Through office of chief inspector and indemnity.....	19
Through foreign administrations.....	4
Total recoveries.....	3,317
Complaints in which recovery was impossible.....	2,713
Complaints in which no financial loss occurred.....	2,635
Aggregate.....	8,665

Following past custom in determining the rate of loss among the domestic letters and parcels registered, namely, by taking cognizance of only those cases in which recovery was impossible and excluding those in which no financial loss occurred, it will be seen that irrecoverable losses occurred in less than 2,713 cases out of 35,740,681 domestic paid and free registrations, or 1 in every 13,174.

INDEMNITY FOR LOST REGISTERED MAIL.

The following table shows the various causes of the 768 losses for which claims for indemnity were certified during the year, with the number and amount of the losses and the amount of indemnity approved:

Cause of loss.	Number of losses.	Aggregate.	
		Value.	Indemnity.
Railway wrecks	275	\$10,668.70	\$2,686.04
Burglaries	129	2,685.31	1,228.16
Post-offices burned	32	686.28	326.28
Chargeable to railway-postal clerks	41	12,280.88	350.88
Chargeable to other postal employees	91	2,848.12	928.95
Stolen while in custody of railway and other contractors	51	3,286.02	515.93
Stolen during Christmas holiday rush in large post-offices	15	1,151.00	151.00
Pouches accidentally damaged in transit	30	2,324.17	219.17
Fraudulently obtained by impersonating addressee	10	135.68	132.80
Lost by carrier in fording flooded stream	1	155.00	25.00
Stolen from postmaster's home, where it was taken for greater security	1	5.00	5.00
Rifted by special-delivery messenger	1	20.00	20.00
Cause undetermined	91	1,516.04	972.88
Total	768	87,276.15	7,561.99
Average amount of indemnity per piece			9.85

DOMESTIC INDEMNITY.

The following table shows the amount of limited liability for loss of domestic registered mail, the number of claims approved, and the amount of money involved each year for the period during which indemnity has been payable:

Year.	Amount limited to—	Number of claims.	Amount paid.
1899.....	\$10	22	\$188.08
1900.....	10	58	832.42
1901.....	10	151	1,034.38
1902.....	10	108	654.18
1903.....	25	469	3,091.01
1904.....	25	696	4,970.46
1905.....	25	612	5,310.37
1906.....	25	529	4,486.82
1907.....	25	348	3,286.88
1908.....	25	768	7,561.99
Total		3,746	30,866.49

The average amount of indemnity per piece for the period was \$8.23.

FOREIGN INDEMNITY.

The payment by the United States of indemnity for the loss of registered matter addressed to foreign countries is a new feature. Under the provisions of the Universal Postal Convention, the sender, or at his request the addressee, except in cases beyond control, is indemnified for the loss of any registered article addressed to a foreign country embraced in the Universal Postal Union, for its full value up to 50 francs, but only four cases of foreign indemnity have been received in the Division of Registered Mails for consideration during the fiscal year.

IMMEDIATE PAYMENT OF INDEMNITY.

Every effort is being made to inaugurate a system under which indemnity claims may be promptly paid. It is expected that during the fiscal year ending June 30, 1909, every outstanding indemnity case of any appreciable age will be paid and that only current cases will be under investigation or consideration under the new procedure for immediate payment.

Under a recent decision of the Comptroller of the Treasury the United States is required to pay indemnity for the loss in the international mails of any class of registered mail, while the law governing the payment of indemnity for domestic registered mail provides for indemnity only for lost first-class matter. This gives to foreigners in this country and those who have foreign correspondence an advantage over American citizens and those whose correspondence is exclusively domestic. It is therefore recommended that section 3926 of the Revised Statutes be further amended to permit the owners of any class of domestic registered mail to be indemnified for the loss thereof in the United States.

THROUGH REGISTRY EXCHANGES.

The following table shows the number of through registered pouch, inner registered sack, railway post-office through registered pouch, railway post-office inner registered sack, and brass-lock exchanges in operation June 30, 1908, compared with the number in operation at the end of each of the last five preceding fiscal years:

Nature of exchange.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
Through registered pouch	505	457	442	399	389	388	367
Inner registered sack	546	503	480	417	414	440	403
R. P. O. through registered pouch	23	46	151	166	222	413	478
R. P. O. inner registered sack	2	20	41	62	76	133	223
Brass-lock pouch	354	344	355	269	278	290	299
Total	1,430	1,370	1,469	1,313	1,379	1,664	1,765

The railway post-office through registered pouch and inner registered sack exchanges are steadily increasing in numbers, while the ordinary through pouch and inner sack exchanges have decreased. The ordinary through pouch and inner sack, as well as the brass-lock exchanges, are old features of the registry service, while the railway post-office through pouch and inner sack exchanges are comparatively new. As these new features are introduced it is found that a portion of the old exchanges are no longer necessary, and they are therefore discontinued.

NOT-REGULAR DISPATCHES OF INNER REGISTERED SACKS.

The not-regular dispatch of inner registered sacks is a very recent feature of the registry service, the same having been first authorized during the fiscal year ended June 30, 1907. Not-regular dispatches are authorized for the same purpose as regular dispatches; the not-regular dispatches being particularly advantageous in disposing of any accumulation of registered mail between the hours of regular dispatches, and in obviating the dispatch of empty equipment. This not-regular feature was first authorized only at certain offices, but it

has proved so successful and such an advantage to the registry service that during the fiscal year covered by this report the authority for not-regular dispatches of inner registered sacks was made general by being extended to every post-office having an exchange or dispatch of through registered pouches or inner registered sacks.

The authority for not-regular dispatches of inner registered sacks was still further extended during the year to permit postmasters to make such dispatches to any of nearly 300 post-offices named, in addition to those offices having a regular exchange or dispatch of through registered pouches or inner registered sacks. These additional offices to which not-regular dispatches of inner registered sacks were permitted to be made were not authorized themselves to make not-regular dispatches except in returning the not-regular equipment received with registered mail dispatched to their offices, because the quantity of registered mail involved did not justify it.

This list of offices is specially selected from experience, and others will be added to the same from time to time as may be found necessary or advisable.

The general extension of the authorization for not-regular dispatches of inner registered sacks does not include such dispatches to railway post-offices or terminal railway post-offices, and is therefore confined to postmasters.

Special authorization for not-regular dispatches of railway post-office inner registered sacks from certain terminal railway post-offices to any post-office or railway post-office known to be supplied with a railway mail service rotary-lock key has been made, and these not-regular dispatches are watched with interest.

It is expected to extend a similar feature in the future, as far as practicable, to dispatches of ordinary through registered pouches, railway post-office through registered pouches, and railway post-office inner registered sacks.

REGISTERED PACKAGE JACKETS.

Registered package jackets, although a new feature of the registry service, have proved so satisfactory that their use has been extended from a limited number of offices to all post-offices where the conditions justify.

Authority has now been given for the use of registered package jackets by all post-offices and by all railway post-offices in the country in the dispatch of five or more separate registered packages where at least one record of handling in transit of the package inclosed will be saved.

USE OF REGISTERED PACKAGE JACKETS IN THE RAILWAY MAIL SERVICE.

The following figures show the extent to which registered package jackets have been used in the Railway Mail Service alone during the fiscal year ended June 30, 1908:

Made up and dispatched.....	406, 458
Pieces inclosed.....	2, 969, 497
Received and opened.....	204, 020
Pieces inclosed.....	1, 503, 744
Handled in transit.....	51, 497, 860

IMPROVEMENTS IN THE REGISTRY SERVICE.

The fiscal year ended June 30, 1908, has been prolific in improvements in the registry service and in the extension of improvements previously begun. The following improvements or modifications are especially noteworthy:

(a) The elimination of the gray card bill from the registry service in the dispatch of registered mail for domestic destinations. Exception is made of registered mail addressed to foreign countries in order to prevent delay in dispatch of such mail after it reaches United States exchange offices.

(b) The extension of the authority for not-regular dispatches of inner registered sacks to all offices having a regular exchange or dispatch of through registered pouches or inner registered sacks.

(c) Special authorization for not-regular dispatches of railway post-office inner registered sacks from certain terminal railway post-offices.

(d) Extension of the authority for the use of registered-package jackets to all post-offices where conditions justify.

(e) Amendment of section 812 of the Postal Laws and Regulations, governing the numbering of registered mail, registered package, and tag envelopes.

(f) Amendment to section 898 of the Postal Laws and Regulations, requiring registry reports to be rendered annually for the entire fiscal year instead of semiannually as heretofore.

(g) The addition of a "Distribution" item to the annual registry report rendered by postmasters to show the number of registered letters and parcels "Missent," "Forwarded," "Returned to writer," etc., upon which the registry fee had once been paid, but which were required to be re-registered free, to distinguish it from other free registrations for which no fee is charged.

(h) Amendment to section 873 of the Postal Laws and Regulations, requiring deficiencies in registry fees as well as postage on short-paid domestic registered matter, to be collected by postmasters from addressees upon delivery, instead of the deficiencies in registry fees being reported by postmasters for collection by the department from mailing postmasters as a penalty for their neglect.

(i) The authorization of separate pouches for registered letter mail and registered mail of other classes when the quantity of such mail in any one dispatch warrants the use of two or more through registered pouches or inner registered sacks, the class of the contents of the pouches or sacks to be distinguished by an appropriate indorsement on the label.

(j) The authorization of separate pouch bills for registered letter and other mail when there is but one through pouch or inner sack to a dispatch.

(k) The authorization of all post-office stations designated by letters or local names to make up registered matter for direct outward dispatch.

(l) The establishment of a uniform rule permitting the extension of the tissue-slip system for the delivery of registered mail by city carriers to such post-offices or stations as have a minimum of 50,000

registry deliveries by carriers at the main office or any station annually; provided, in addition to such number of deliveries annually, the other conditions at the office warrant the introduction of this system.

(m) The establishment of a rule permitting the extension of the "ordinary slip system" (more generally known as the "05 and 06 slip system" because of the numbers given to the slips used), for delivery of registered mail by carriers, to any city delivery post-office where the number of carriers employed and the conditions at the office justify.

(n) The establishment of a uniform rule permitting the extension of the "card system of desk delivery" of registered mail to such main offices and stations as have a minimum of 25,000 desk deliveries at the main office or any station annually; provided, in addition to such number of deliveries, the other conditions at the office warrant the institution of this system.

(o) Transfer of registry transfer stations at Chicago, Ill., to the railway mail service.

(p) A new policy which will result in the immediate payment of indemnity for lost registered mail.

(q) Provision for indemnity for the loss of registered articles addressed to foreign countries, under the terms of the Universal Postal Convention, which became effective October 1, 1907.

(r) Additional number of post-offices authorized to use lead-sealed sacks as registered package envelopes and registered package jackets to permit the covering of a number of pieces of registered mail of bulky character under one sack in cases where the ordinary paper registered package envelopes and jackets would not suffice.

(s) Authorization for the dispatch of registered mail by the United States Stamped Envelope Agency, Dayton, Ohio, in lead sealed registered canvas tie sacks in lieu of rotary-locked, ordinary, and railway post-office through registered pouches and inner registered sacks, under a specially printed registry tag.

(t) Preparation for the handling and recording of registered mail sent to and from, and on board, United States naval vessels, in anticipation of the promulgation of regulations for the government of "navy mail clerks" and "assistant navy mail clerks," under the provisions of the act of Congress approved May 27, 1908.

(u) Introduction of a new form of window receipt designed to relieve the public of having to wait at post-office windows any considerable length of time to register letters or parcels.

(v) The revision of the sender's registry return receipt, Form 1548, so as to require the mailing office to use but one side of the card and to write thereon only the original registration number and the name and address of the sender.

(w) Amendment to the stub of window registration book, Form 1549, so as to preclude the necessity for a transit book at post-offices having no transit matter, stations, or rural or city carriers, by providing spaces for a record of the dispatch and the witnesses of dispatch of registered mail of local origin.

Numerous important changes in blank forms were made during the year by discontinuing old forms, introducing new ones, and amending and combining others. Constant efforts are being made to simplify operations and reduce expense, while increasing efficiency and maintaining proper safeguards. This may be said with respect to every matter under the jurisdiction of this office.

Respectfully,

A. L. LAWSHE,

Third Assistant Postmaster-General.

Hon. GEO. v. L. MEYER,

Postmaster-General.

REPORT
OF THE
FOURTH ASSISTANT POSTMASTER-GENERAL
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

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REPORT

OF THE

FOURTH ASSISTANT POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
OFFICE FOURTH ASSISTANT POSTMASTER-GENERAL,
Washington, November 3, 1908.

SIR: In submitting herewith the annual report of the Fourth Assistant Postmaster-General for the fiscal year ended June 30, 1908, I desire to emphasize the fact that your authorization to adopt new methods of procedure, and your general encouragement in the arrangement of office details made it possible to modernize the several divisions comprising this Bureau. The hearty cooperation of officers and clerks developed through the existing esprit du corps of the several divisions, which materially aided in the undertaking, is also duly acknowledged.

CONDITION OF WORK IN THE BUREAU.

As an instance of the results achieved, each superintendent of division reported on the afternoon of June 30 that all business received, to and including that day, had been disposed of—a condition without precedent in the divisions involved—and that record is being continued from day to day, except in the Division of Rural Delivery where the clerical work incident to the installation of routes is several months in advance.

In the Division of Supplies requisitions are filled on the day of receipt.

In the Division of Dead Letters all matter received, that is returnable, is restored to the writer or sender.

In the Division of Topography maps of rural routes, in addition to post-route maps, are now being made for use in the service and for sale. The new maps outline rural county service, indicating on each rural route the locations of residences, churches, and schoolhouses, making a complete guide.

IMPROVEMENTS INAUGURATED.

This Bureau concurs in the recommendations of the expert accountants of the Joint Postal Commission "on Business Method of the Post-Office Department and Postal Service," in so far as they apply to the Divisions of Rural Delivery, Supplies, Dead Letters, and

Topography. Nearly all the necessary changes, incident thereto had either become effective, or were in course of promulgation, prior to the receipt by the Department of the preliminary report of the Commission.

The special commission appointed by you to investigate the feasibility of purchasing supplies for consumption in the larger post-offices and postal agencies, in the cities in which they are located, will report to you in the near future; as will also the special committee charged with an investigation of the feasibility of confining contracts of the Post-Office Department to one type of computing machine and one manufacture of typewriter to be determined through competitive bids, invited by advertisements through the purchasing agent.

Shipments of supplies are being made by this Bureau "whenever practicable" by freight and express in all directions, in compliance with the act making appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1908, which provided that:

The Postmaster-General shall require, when in freightable lots and whenever practicable, the withdrawal from the mails of all * * * furniture, equipment and other supplies * * * in the respective weighing divisions of the country immediately preceding the weighing period in said divisions * * * and thereafter such * * * furniture, equipment and other supplies * * * shall be transmitted by either freight or express.

INCREASE NECESSARY IN HIGHER CLERICAL GRADES.

For some time past this Bureau has been losing many of its young and efficient clerks by reason of the great preponderance in the number of places in the \$900 and \$1,000 grades, which condition makes promotion so infrequent as to render the service undesirable to the more able class of employees. It is decidedly detrimental to the service to lose employees who have become skilled workers, as much time and efficiency are lost in training new clerks. Much of the work in the several divisions is of a high order and the employees engaged upon it discharge their duties faithfully and well merit promotion. To relieve the situation the number of positions in the higher grades should be increased, with a corresponding decrease in the lower grades.

DIVISION OF RURAL DELIVERY.

The number of petitions for rural delivery service filed during the past fiscal year aggregated 4,064, an increase of 1,510 over the previous year. Of the petitions filed, 2,981 have been accepted for investigation and 184 are still under consideration.

On June 30, 1908, the service was in operation on 39,277 routes, and 39,143 carriers were employed. On 659 routes the service was triweekly, a decrease of 30 as compared with the previous year.

During the year 1,672 new routes were established, 17 routes discontinued prior thereto were reestablished, and 140 routes were discontinued, leaving the net increase in the number of routes in operation 1,549.

GROWTH OF THE SERVICE.

The following table shows the growth of rural delivery during the twelve years of its existence:

Fiscal year.	Carriers.	Appropriation.	Expenditure.	Increase in expenditure.
1897.....	83	\$40,000	\$14,840	.....
1898.....	148	50,250	50,241	\$35,461
1899.....	391	150,032	150,012	99,771
1900.....	1,276	450,900	420,433	270,421
1901.....	4,301	1,750,796	1,750,321	1,329,888
1902.....	8,466	4,089,975	4,069,041	2,338,720
1903.....	15,119	8,580,384	8,051,599	3,962,558
1904.....	24,566	12,926,905	12,645,275	4,593,676
1905.....	32,055	21,116,600	20,864,885	8,219,610
1906.....	35,666	25,828,300	25,011,625	4,146,740
1907.....	37,582	28,350,900	26,747,000	1,735,375
1908.....	39,143	34,900,000		

COUNTY SERVICE.

In 805 counties the service had been readjusted on June 30, 1908, so as to furnish rural delivery to the largest possible proportion of the rural population.

PATRONAGE.

A larger use of the rural delivery service by the people is manifest from the reports of inspections which have been made during the past fiscal year, and also from the enormous increase in the amount of mail handled. It is significant that on only 4,061, or 10.3 per cent, of the rural routes the quantity of mail handled was less than 9,000 pieces per quarter, which heretofore has been considered a fair average for a standard route. Included in this number are 659 triweekly routes and a number of short-length routes serving restricted territories. During the year 1,958 post-offices were discontinued and the patrons rendered service by rural carriers.

TRANSPORTATION OF MAIL.

Incident to their other duties, when expedient, rural carriers are required to transport the mail for post-offices located on their routes without any additional expense. The number of post-offices thus served on June 30, 1908, was 3,381.

ROAD IMPROVEMENT

Rural delivery is in operation on 943,087 miles of road, over which carriers are required to travel daily. Thirty-five thousand miles of these roads are macadam, the remainder being earth, sand, or gravel. Postmasters at rural delivery offices were recently required to furnish the Department with detailed reports on roads covered by rural delivery, compilation of which shows that since the service was first established \$70,632,162 has been expended on roads traversed by rural carriers. Road officials and patrons are notified whenever the road reports received indicate the necessity for repairs, and this

Bureau takes pleasure in acknowledging the general cooperation of patrons and road officials in securing improvements essential to the maintenance of the service on a high plane of efficiency. During the past year more work has been done on public highways covered by rural delivery and more expenditures have been made in their improvement than in any previous year in the history of rural delivery, and reports received clearly indicate that interest in road improvement is being generally manifested throughout the country

RURAL LETTER CARRIERS.

During the past year 2,124 resignations of carriers were accepted, which is 50 per cent less than the number accepted in the preceding fiscal year and about 5 per cent of the number of carriers in the service June 30, 1908. One hundred and seventy-eight carriers were separated from the service by death. The high standard of efficiency maintained by rural carriers and their fidelity and integrity is forcefully attested by the fact that only 165 carriers out of a total number of 39,143 were dismissed for cause.

The recommendation made in the last annual report of this Bureau that a uniform dress be prescribed for carriers in the rural delivery service is respectfully renewed. Serviceable uniforms can be procured without greater cost to the carrier than the clothing ordinarily worn; and the adoption of a uniform suitable to the conditions under which the rural carriers must work would undoubtedly add to the dignity and efficiency of the rural service, the carriers of which daily pass 3,900,000 homes.

DELIVERY OF PACKAGES ON RURAL ROUTES.

In the early days of rural delivery the carriers were encouraged to engage in carrying express matter for hire and were permitted to act as agents for newspapers, the purpose being to augment the then small compensation allowed. There was little restriction of this privilege, and from July 1, 1902, until July 1, 1904, the law expressly provided for it. Thus it was possible for the public to secure the transmission of matter outside the mails by rural carriers at a low rate because of their employment by the Government. Complaints followed to the effect that if allowed to act as agents for newspapers it was only fair that carriers also be allowed to accept other soliciting agencies. It was urged, therefore, that rural carriers be prohibited from doing an express package business; be restricted while on duty to their official work, and be allowed a compensation commensurate with the service performed. Congress consequently provided for increased salaries for rural carriers, prohibiting them from acting as agents, and provided that rural carriers—

shall not, during their hours of employment, carry any merchandise for hire: *Provided*, That said carriers may carry merchandise for hire for and upon the request of patrons residing upon their respective routes whenever it shall not interfere with the proper discharge of their official duties and under such regulations as the Postmaster-General may prescribe.

Believing that commissions performed by virtue of this provision of law should not include anything which might be transmitted by mail, the regulations promulgated so provided; and rural carriers

are not permitted to carry for hire any matter or package that is mailable. Since the above restrictions have been enforced the Congress has, in line with the recommendations of this Department, again increased the salaries of rural carriers. This increase was allowed in view of the enhanced cost of horse feed and to make the compensation adequate to the service performed. The demand for a package service by rural carriers, which was fostered in the first years of rural delivery, still exists. It presents an opportunity to increase the usefulness of the postal service to a large class of its patrons, and should be met, not in the old way, which permitted the use of the Government's agency for private gain, but by the establishment of a system for the carriage of merchandise by rural carriers at such rates as will be a fair compensation for the service performed, the revenues to be credited to the postal receipts. The present fourth-class rate is prohibitive as applied to the transmission of merchandise on rural routes. Patrons and merchants desire to have small packages of merchandise delivered by rural carriers, but will not pay the fourth-class rate. Such a service would be beneficial alike to the patrons of rural delivery and local merchants, without injuring or competing with any other service. It can be given with the facilities now employed and would materially increase the revenues of the Department. A special reduced rate of postage for merchandise carried only by rural carriers, such as you have recommended, would unquestionably be of material value to the retail merchants on rural routes and at rural-delivery distributing centers, as well as enhance the influence of the rural service in making life in the country more attractive.

ESTIMATES FOR THE FISCAL YEAR 1910.

It has been found very difficult to estimate with any degree of certainty the appropriation necessary for the rural-delivery service. Estimates have been made in accordance with conditions which prevail at the time the law requires the estimates to be submitted. During the fiscal years 1906 and 1907 the number of petitions received for the service decreased materially as compared with the demand in 1904 and 1905, and as a result appropriations for the first-named years were in excess of the expenditures. It being reasonable to suppose that the demand for new rural routes would continue to be moderate, an appropriation of \$35,873,000, or an increase of \$973,000 over the preceding year, was asked for the fiscal year 1908-9. The amount appropriated by Congress was \$35,573,000, or \$300,000 less than the estimates. Contrary to anticipations the number of petitions filed for rural service rose to an average of 415 per month for the six months ended June 30, 1908, as compared with an average of 262 per month for the previous six months. About 45.6 per cent of the petitions received are favorably reported for installation. During the past year application for extensions of existing routes have also been unusually large, a considerable number of them involving increases of salaries of carriers who are paid on the basis of distance traveled. Notwithstanding the fact that such extensions are allowed only when additional patronage would be secured or existing patronage better served, the average salary per route has risen in the last twelve months from \$861.41 to \$865.37 per annum. In preparing the estimates for the ensuing fiscal

year an average of \$867 per route is given in order to allow for all reasonable demands for extension of routes.

On September 1, 1908, there were 1,526 petitions for new routes unacted upon, and 290 routes had been established or ordered installed since the beginning of the fiscal year. With the appropriation available it is estimated that 433 additional routes can be installed during the remainder of the fiscal year. It is believed that there will be not less than 954 cases awaiting installation July 1, 1909, and at least 1,500 new routes will be recommended for installation during the next fiscal year, and that the sum of \$37,599,000 would be required to meet all demands for service. However, the estimate (\$36,246,000) submitted is based on the same increase (\$673,000) over the appropriation for 1909 (\$35,573,000) as was granted by the Congress in excess of that (\$34,900,000) for 1908.

The estimate of \$36,246,000 which has been submitted for the fiscal year 1910 is made up as follows:

To continue the service on 39,277 routes in operation June 30, 1908.....	\$34, 053, 159
To continue the service on 723 routes which it is estimated will be established during the current fiscal year, at an estimated average salary for carriers of \$867 per annum.....	626, 841
To inaugurate new service during the fiscal year 1910.....	179, 000
To pay substitutes for 39,638 carriers on vacation, at an estimated average rate of \$867 per annum, less 6 per cent deducted account of carriers not in service twelve months.....	1, 360, 000
To pay clerks in charge of stations of rural delivery service.....	12, 000
To pay tolls and ferrage charged for carriers who traverse toll roads or turnpikes or cross streams over toll bridges or ferries.....	15, 000
Total.....	36, 246, 000

DIVISION OF SUPPLIES.

The unfavorable conditions in regard to furnishing supplies to the postal service, which were cited in the report for the preceding fiscal year, have been overcome. The reorganization of the Division of Supplies which was begun in December, 1906, has been completed, and under this reorganization all requisitions for stock supplies are filled and the supplies en route to postmasters within twenty-four hours after the requisitions are received. These conditions have existed since November, 1907, and while a large amount of additional work has been delegated to this division the clerical work is now performed by 49 clerks as against 69 clerks when this reorganization was begun.

A large amount of the correspondence formerly conducted by the division has been eliminated, the volume being reduced by nearly one-half under the new methods.

The increase in appropriations granted by Congress at the last session has enabled the division to secure a more adequate stock of stationery and other supplies, and also to make considerable progress in equipping post-offices with typewriters, adding machines, and other labor and time saving devices.

DIVISION OF DEAD LETTERS.

All undelivered letters received during the year from which the names and addresses of the writers could be ascertained have been returned, and on the last day of the fiscal year every piece of mail

matter received had been opened and treated, an unprecedented condition in the work of the division. The total number of pieces of mail matter received during the year was 13,145,172, an increase of 139,917 pieces over the receipts for the preceding year. There were returned to senders 7,202,684 letters and parcels, or 1,976,892 pieces more than were returned in 1906-7. Of the mail matter received, 1,949,495 pieces were posted in foreign countries and failed of delivery in this country, and 651,321 pieces were addressed to foreign countries and returned to this country as unclaimed. The remaining 10,544,356 pieces were of domestic origin and intended for domestic delivery. Of the mail matter received, 1,086,131 letters and parcels were found to contain inclosures of sufficient value to be made subject of entry. The inclosures included \$65,599.57 in money, a decrease of \$2,166.12 as compared with the preceding fiscal year, and drafts, checks, money orders, etc., to the face value of \$2,203,922.54, an increase of \$185,846.18 over the face value of such inclosures received during the preceding year. The division was able to restore \$46,854.76 of the cash received to the senders.

In addition to the receipts of mail matter as described above, there were received for destruction in the division approximately 6,000,000 undeliverable post cards and postal cards, post cards forming about 80 per cent of such receipts.

The receipts of undeliverable letters and parcels in the dead letter bureaus of Hawaii and Porto Rico for the fiscal year 1908 were as follows: In Hawaii, matter of domestic origin, 18,949; mailed in the United States, 5,016; mailed in foreign countries, 7,408. In Porto Rico, matter of domestic origin, 22,626; mailed in the United States, 1,283; mailed in foreign countries, 2,002.

The revenue derived from dead mail matter amounted to \$34,346.46. This included \$25,308.48 removed from letters and found loose in the mails, \$8,708.86 derived from the annual sale of merchandise, and \$329.12 received for postage, and was an increase of \$5,143.09 over revenues for the fiscal year 1907.

In addition to the regular work of the division the compilation of data for the new edition of "Street Directory of the Principal Cities of the United States" was taken up and continued during the year. Congress at the last session granted an appropriation of \$12,000 for the printing of such new edition of the publication, which it is expected will be ready for distribution within a few months.

The division has been active in endeavoring to promote a more general use of the writer's return card on letters, a card giving a model form of address and other information to prevent loss of mail matter having been sent out with each returned letter.

Recommendation is renewed that legislation be enacted which will permit of an improved method of disposing of undeliverable articles by sale, so as to eliminate as far as possible the objectionable lottery features involved in carrying out the existing law.

DIVISION OF TOPOGRAPHY.

The Division of Topography is charged with the duty of preparing and publishing post-route maps and rural-delivery maps.

POST-ROUTE MAPS.

The post-route maps, embracing 41 separate maps of States and Territories, are revised or renewed every quarter, when there is published a new edition of the maps printed by the photolithographic process. They are in constant demand by the Department and the postal service. Five hundred of the maps used in the Department building are working diagrams, which have to be hand corrected to date once a month, being brought to the Division of Topography for this purpose. The other maps at the Department, as well as the maps needed in the field, are supplied from the quarterly editions. All these maps are put up by the Division in suitable shape for reference, being mounted for racks or in some portable form. Besides the regular editions of the maps, special issues on thin paper, numbering from 300 to 600 copies each, are required at frequent intervals, these being called for by the general superintendent of the railway mail service for the guidance of the railway postal clerks.

RURAL-DELIVERY MAPS.

The rural-delivery maps, which cover much smaller areas than the post-route maps, are of two classes, being maps of local-route centers and maps of counties. Each map of the former class exhibits the routes emanating from a center, whereas each map of the latter class shows the routes from all the local centers in the county mapped. The local maps, necessarily preliminary in their nature, are being gradually superseded by the comprehensive county maps, upon which a force of draftsmen is now actively engaged. The rural-delivery maps, whether local or county, are kept up to date in accordance with the Department's orders affecting the course or existence of routes, and are reproduced by the blueprinting process for the use of the officials in touch with the service.

Many interests outside of the postal service, including other branches of the Government, business firms, and private individuals, make considerable use of the post-route maps and the rural-delivery maps. These maps are furnished under the statutory provision that authorizes the sale of copies at the cost of printing and 10 per cent thereof added, the proceeds of such sales to be used as a further appropriation for the preparation and publication of the maps.

INCREASED NUMBER OF DRAFTSMEN NECESSARY.

Authority for the sale of the rural-delivery maps was given by Congress at the last session. To meet the demand for maps of counties having complete rural-delivery service it is necessary that all such maps shall be redrawn. Most of this work is now being performed by temporary draftsmen, employed at piecework and paid for out of the miscellaneous appropriation. In order that the work may be done by regular employees, additional positions in the grade of draftsman should be provided.

RECOMMENDATIONS.

First. That the provisions of section 3867 of the Revised Statutes, authorizing the Postmaster-General to prescribe a uniform dress to be worn by letter carriers in the city-delivery service, be extended to letter carriers in the rural-delivery service.

Second. That legislation be enacted providing for delivery, at a special rate of postage, of packages not exceeding 11 pounds in weight, to be effective between the distributing post-office and the patrons of any rural route emanating from such post-office.

Third. That Congress enact legislation which will permit the adoption of an improved method of disposing of undeliverable articles by sale, so as to eliminate as far as practicable the objectionable lottery features involved in carrying out the existing law on the subject.

Respectfully,

P. V. DE GRAW,

Fourth Assistant Postmaster-General.

The POSTMASTER-GENERAL.

REPORT
OF THE
AUDITOR FOR THE POST-OFFICE
DEPARTMENT
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

REPORT

OF THE

AUDITOR FOR THE POST-OFFICE DEPARTMENT.

TREASURY DEPARTMENT, OFFICE OF THE AUDITOR
FOR THE POST-OFFICE DEPARTMENT,
Washington, D. C., October 5, 1908.

SIR: In compliance with law I have the honor to submit herewith the annual report of the receipts and expenditures of the Post-Office Department as shown by the accounts of this bureau for the fiscal year ended June 30, 1908. The net deficit is \$16,910,278.99.

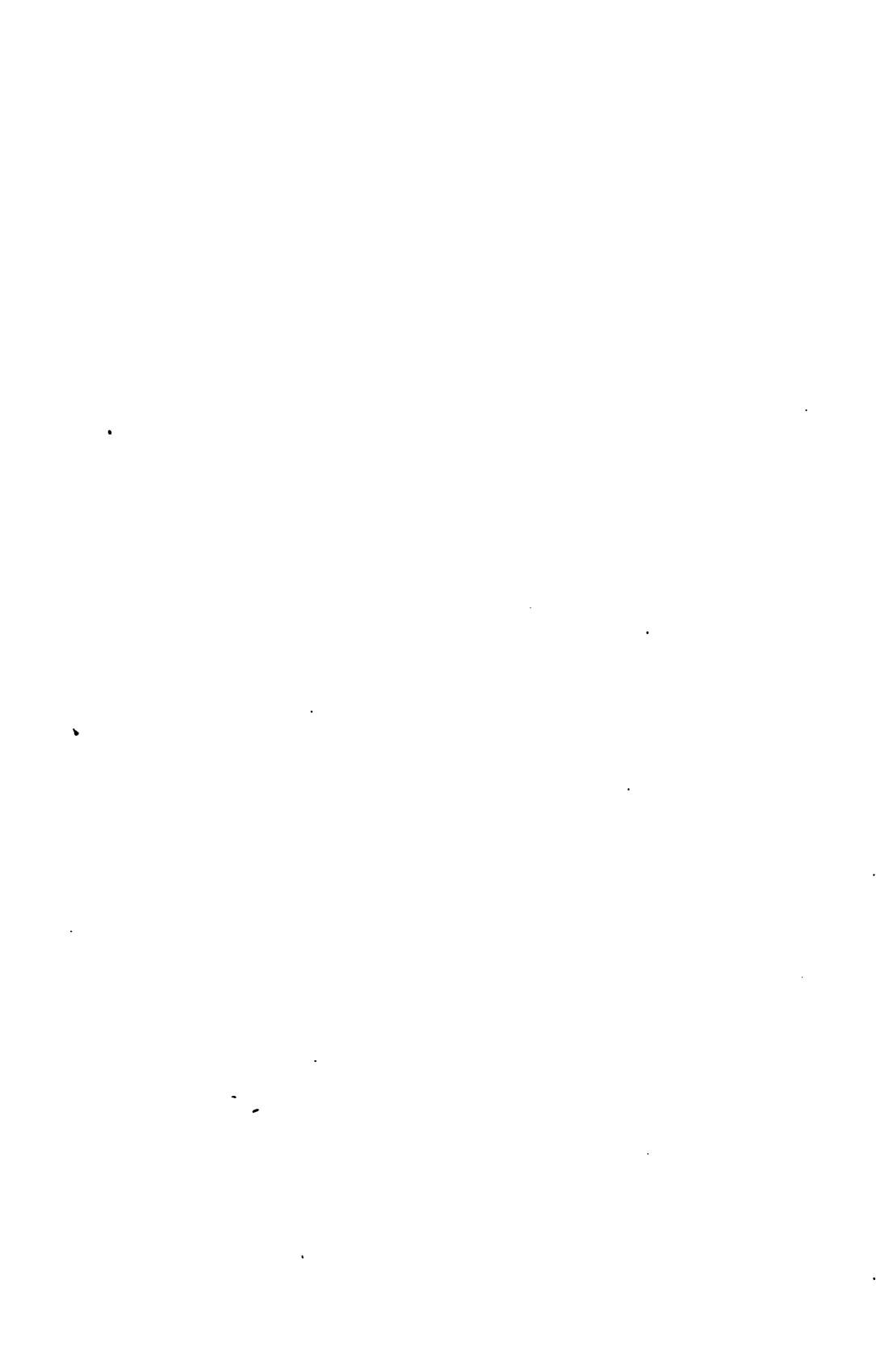
FINANCIAL STATEMENT.

All expenditures on account of service of last and prior fiscal years are stated to September 30, 1908, the audit and payment of the accounts for the fiscal year not being completed until that date.

REVENUE ACCOUNT OF THE POST-OFFICE DEPARTMENT.

Service of the fiscal year 1908.

Postal revenue of the year ended June 30, 1908.....	\$191, 478, 683. 41
Expenditures.....	207, 528, 222. 11
Excess of expenditures over revenue.....	16, 049, 558. 70
Amounts placed with the Treasurer of the United States to the credit of the department, being grants from the General Treasury in aid of the postal revenues under the act approved March 2, 1907 (34 Stat. L., 1205).....	11, 000, 000. 00
Excess of deficiency over grants.....	5, 049, 558. 70
Amount of balances due from late postmasters on postal accounts closed by "bad debts".....	\$12, 633. 66
Amount of balances due from late postmasters on postal accounts closed by "compromise debts".....	1, 667. 35
Amount credited to postmasters and late postmasters for loss of postal funds by burglary, fire, etc.....	22, 845. 47
Total.....	37, 146. 48
Amount of balances due to late postmasters on postal accounts closed to "suspense".....	90. 23
Net loss.....	37, 056. 25
Amount to be placed with the Treasurer of the United States.....	5, 086, 614. 95



REPORT
OF THE
AUDITOR FOR THE POST-OFFICE
DEPARTMENT
TO THE
POSTMASTER-GENERAL
FOR
THE YEAR ENDED JUNE 30, 1908

Service of the fiscal year 1907.

Amount to be placed with the Treasurer of the United States to the credit of the department by grants from the General Treasury, as shown by the report for the fiscal year 1907.....	\$388,985.92
Expenditures.....	780,414.66
	<hr/>
	1,169,400.58
Amount placed with the Treasurer of the United States to the credit of the department, being grants from the General Treasury in aid of the postal revenues under the act approved June 26, 1906 (34 Stat. L., 467).....	1,400,000.00
	<hr/>
Balance on account of the fiscal year 1907.....	230,599.42

Service of the fiscal year 1906.

Amount to be placed with the Treasurer of the United States to the credit of the Department by grants from the General Treasury, as shown by the report for the fiscal year 1907.....	\$562,080.60
Expenditures.....	7,779.82
	<hr/>
	569,860.42
Amount placed with the Treasurer of the United States to the credit of the Department, being grants from the General Treasury in aid of the postal revenues under section 2 of the act approved March 3, 1905 (33 Stat. L., 1091).....	600,000.00
	<hr/>
Balance on account of the fiscal year 1906.....	30,139.58

Service of the fiscal year 1905.

Balance October 1, 1907.....	\$39,800.72
Expenditures.....	0.00
	<hr/>
Balance on account of the fiscal year 1905.....	39,800.72

Service of the fiscal year 1904.

Balance October 1, 1907.....	\$98,073.47
Expenditures.....	\$67.72
Amount certified to the Postmaster-General, certificate No. 49798, dated June 25, 1908, and paid to the General Treasury by warrant No. 2161, Washington, dated June 30, 1908....	98,005.75
	<hr/>
	98,073.47

Service of the fiscal year 1903.

Amount placed with the Treasurer of the United States to the credit of the department, being grants from the General Treasury in aid of the postal revenues under the deficiency act approved May 30, 1908.....	\$26,950.00
Expenditures.....	26,950.00

Service of the fiscal year 1905 and prior years.

Amount placed with the Treasurer of the United States to the credit of the department, being grants from the General Treasury in aid of the postal revenues under the deficiency act approved February 15, 1908.....	\$43.20
Expenditures.....	.00
	<hr/>
Balance on account of the fiscal year 1905 and prior years.....	43.20

Claims, 1905 and prior years.

Amount placed with the Treasurer of the United States to the credit of the department, being grants from the General Treasury in aid of the postal revenues under deficiency acts approved February 15 and May 30, 1908.....	\$8,436.96
Expenditures.....	8,416.34
	<hr/>
Balance available September 30, 1908.....	20.62

Claims, 1904 and prior years.

Balance available October 1, 1907.....	\$1. 50
Amount to be placed with the Treasurer of the United States to the credit of the department, being grants from the General Treasury in aid of the postal revenues under the deficiency act approved March 4, 1907.....	35. 50
	<hr/>
	37. 00
Expenditures.....	35. 50
	<hr/>
Balance available September 30, 1908.....	1. 50

Claims, 1903 and prior years.

Balance available October 1, 1907.....	\$70. 02
Amount certified to the Postmaster-General, certificate No. 49797, dated June 25, 1908, and paid to the General Treasury by warrant No. 2162, Washington, dated June 30, 1908.....	70. 02

General revenue account.

Postal revenues of the fiscal year ended June 30, 1908.....	\$191, 478, 663. 41
Expenditures for service of—	
1908.....	\$207, 528, 222. 11
1907.....	780, 414. 66
1906.....	7, 779. 82
1904.....	67. 72
1903.....	26, 950. 00
1905 and prior years.....	8, 416. 34
1904 and prior years.....	35. 50
	<hr/>
Total expenditures.....	208, 351, 886. 15
	<hr/>
Excess of expenditures over revenue.....	16, 873, 222. 74
Amount of loss by burglary, fire, bad debts, etc.....	37, 056. 25
	<hr/>
Deficit for fiscal year ended June 30, 1908.....	16, 910, 278. 99
Grants from the General Treasury:	
Under postal act of March 2, 1907.....	\$11, 000, 000. 00
Under postal act of June 26, 1906.....	1, 400, 000. 00
Under postal act of March 3, 1905.....	600, 000. 00
Under deficiency act of February 15, 1908....	1, 423. 38
Under deficiency act of May 30, 1908.....	34, 006. 78
	<hr/>
Total grants.....	13, 035, 430. 16
Repayments to the General Treasury:	
On account of 1904.....	\$98, 005. 75
On account of 1903 and prior years.....	70. 02
	<hr/>
	98, 075. 77
	<hr/>
Net amount received from the General Treasury.....	12, 937, 354. 39
	<hr/>
Excess of deficit over amount received from General Treasury..	3, 972, 924. 60
Balance standing to the credit of the general revenue account September 30, 1907.....	2, 620, 843. 22
	<hr/>
Balance standing to the debit of the general revenue account September 30, 1908.....	1, 352, 081. 38

THE POSTAL DEFICIT OF 1908.

The revenues of the postal service for the fiscal year 1908 amounted to \$191,478,663.41; the expenditures, \$208,351,886.15; excess of expenditures, \$16,873,222.74; including losses by fire, burglary, etc., the deficiency is \$16,910,278.99.

An analysis of the figures shows that \$9,891,321.92 of the deficiency was caused by the increased rate of compensation authorized by Congress to be paid to employees of the Railway Mail Service, Rural Delivery Service, city delivery service, and in post-offices, to wit:

	1907.	1908.	Increase.	
<i>Assistant postmasters and clerks.</i>				
Number of clerks, etc.....	a 27,727	a 31,258	3,531	
Cost of service.....	\$26,638,999.80	\$30,903,351.75	\$4,264,351.95	
Average salary.....	\$960.76+	\$988.65+	\$27.89+	
31,258 clerks, at \$988.65+ (1908 rate).....				\$30,903,351.75
31,258 clerks, at \$960.76+ (1907 rate).....				30,031,567.02
Increase.....				871,794.73
<i>City delivery service.</i>				
Number of carriers.....	24,577	26,352	1,775	
Cost of service.....	\$23,248,535.90	\$26,343,201.19	\$3,094,665.29	
Average salary.....	\$945.94+	\$999.66+	\$53.72-	
26,352 carriers, at \$999.66+ (1908 rate).....				26,343,201.19
26,352 carriers, at \$945.94+ (1907 rate).....				24,927,591.56
Increase.....				1,415,609.64
<i>Railway Mail Service.</i>				
Number of clerks.....	14,184	15,295	1,111	
Cost of service.....	\$15,175,587.76	\$17,373,336.92	\$2,197,749.16	
Average salary.....	\$1,069.90+	\$1,135.88+	\$65.97+	
15,295 clerks, at \$1,135.88+ (1908 rate).....				17,373,336.92
15,295 clerks, at \$1,069.90+ (1907 rate).....				16,364,256.55
Increase.....				1,009,080.37
<i>Rural Delivery Service.</i>				
Number of carriers.....	37,582	39,143	1,561	
Cost of service.....	\$26,663,304.36	\$34,355,209.04	\$7,701,904.68	
Average salary.....	\$709.20+	\$877.68+	\$168.48+	
39,143 carriers, at \$877.68+ (1908 rate).....				34,355,209.04
39,143 carriers, at \$709.20+ (1907 rate).....				27,760,371.86
Increase.....				6,594,837.18
Total increase.....				9,891,321.92

a Number authorized by Congress exclusive of deficiency appropriation.

Deficiency fiscal year ended June 30, 1908.....	\$16,910,278.99
Amount due to increased rate of compensation to clerks and carriers, 1908 over 1907.....	9,891,321.92
	7,018,957.07

A further analysis shows that the salary and compensation of postmasters, both presidential and fourth-class, was \$1,612,796.49 more than in 1907, on account of increased volume of business.

The total amount paid for increased salaries was \$11,504,118.41, as shown, which sum deducted from the amount of the deficiency leaves \$5,406,160.58.

It follows that if it were not for the increased amounts paid to the officers and employees named the deficit of 1908 would have been less than the deficit of 1907.

The following tables show in detail the transactions for the fiscal year ended June 30, 1908:

No. 1.—STATEMENT EXHIBITING QUARTERLY THE RECEIPTS OF THE POST-OFFICE DEPARTMENT, UNDER THEIR SEVERAL HEADS, FOR THE FISCAL YEAR ENDED JUNE 30, 1908.

Accounts.	Quarters ended—				Aggregate.
	Sept. 30, 1907.	Dec. 31, 1907.	Mar. 31, 1908.	June 30, 1908.	
Letter postage.....	\$45,024.20	\$397.37	\$18,806.53	\$43,254.01	\$107,482.11
Box rents and branch offices.....	940,296.24	955,338.12	968,621.03	979,048.16	3,833,303.55
Fines and penalties.....	31,019.00	14,839.36	34,294.33	21,119.32	101,272.01
Postage stamps, stamped envelopes, postal cards, etc.....	40,230,081.13	47,165,277.47	44,521,232.96	41,458,120.46	173,374,712.02
Second-class postage.....	1,700,620.32	1,838,873.44	1,716,075.58	1,694,937.41	6,950,506.75
Third and fourth class postage.....	625,267.86	805,071.73	1,011,494.43	592,109.44	3,033,943.45
Dead letters.....	13,255.52	13,180.28	5,126.20	5,082.06	36,644.06
Revenue from money-order business.....	865,633.08	1,072,157.40	938,861.90	801,103.06	3,677,755.44
Miscellaneous.....	30,473.80	18,639.39	23,118.07	21,754.42	93,985.68
Unpaid money orders more than one year old.....		269,058.34			269,058.34
Total.....	44,481,671.14	52,152,832.90	49,227,631.03	45,616,528.34	191,478,663.41

NO. 2.—STATEMENT EXHIBITING THE EXPENDITURES OF THE POST-OFFICE DEPARTMENT, UNDER THEIR SEVERAL HEADS, FOR THE FISCAL YEAR ENDED JUNE 30, 1908.

Appropriations.	Quarters ended—				Expended on account of 1908.	Expended on account of previous years.	Aggregate expenditures.
	Sept. 30, 1907.	Dec. 31, 1907.	Mar. 31, 1908.	June 30, 1908.			
<i>Office of the Postmaster-General.</i>							
Advertising, Postmaster-General.	\$1,495.65	\$542.39	\$1,794.84	\$923.76	\$4,456.64	\$46.87	\$4,503.51
Post-office inspectors.	258,650.96	256,990.80	269,381.80	275,824.34	1,060,847.90	247.44	1,061,095.34
Payment of rewards.	79.20	146.83	261.25	1,451.56	1,688.94	8,686.00	10,623.94
Miscellaneous expenses, Postmaster-General.	97.15	89.45	10.75	31.00	1,228.35	50.00	1,278.35
Emergencies in California.						50.00	50.00
Delegates to Universal Postal Congress.						241.50	241.50
<i>Office of the First Assistant Postmaster-General.</i>							
Compensation to postmasters.	6,263,157.01	6,457,410.14	6,494,179.80	6,384,650.57	25,699,397.52	3,576.34	25,692,973.86
Assistant postmasters and clerks in post-offices.	7,576,190.20	7,796,766.76	7,736,887.55	7,766,537.24	30,903,351.75	17,097.93	30,920,449.68
Rent, light, and fuel.	751,511.31	793,677.37	817,816.66	830,816.60	3,193,830.94	13,940.64	3,207,771.58
Miscellaneous items, first and second class offices.	64,325.95	60,334.56	56,316.22	73,660.64	254,037.37	4,778.35	258,815.72
Canceled machines, etc.	60,906.38	69,645.72	70,896.72	72,869.27	274,011.09	27,909.13	301,920.22
Assistant superintendents, salary and allowance division.	7,343.06	7,536.08	7,759.42	8,108.47	30,747.03		30,747.08
City delivery service.	6,739,313.27	6,528,115.73	6,467,694.25	6,606,077.94	26,345,201.19	10,251.24	26,355,452.43
Special delivery service.	300,557.74	294,643.97	246,544.27	283,398.37	1,108,164.35	277.22	1,108,441.57
Miscellaneous expenses, First Assistant Postmaster-General.	153.40	270.25	120.80	45.50	689.95	97.70	787.65
<i>Office of the Second Assistant Postmaster-General.</i>							
Mail transportation—star.	1,823,157.72	1,786,565.83	1,792,179.07	1,723,122.68	7,125,025.30	46,379.38	7,171,404.68
Mail transportation—post.	225,700.89	1,179,406.92	1,179,901.49	1,178,324.45	763,333.75	7,652.16	770,985.91
Mail messenger service.	339,803.75	354,246.21	356,688.36	365,591.87	1,416,300.19	2,850.67	1,419,150.86
Pneumatic tube service.	112,391.52	112,496.50	123,311.18	134,630.42	482,812.62	6,594.27	489,406.89
Wagon service.	328,111.80	327,756.37	331,190.34	331,968.67	1,319,017.18	835.71	1,319,852.89
Mail bags, etc.	131,492.38	123,356.47	120,252.99	72,398.16	447,500.00	2,877.73	450,377.73
Mail locks and keys, etc.	12,567.06	11,199.35	10,082.00	10,867.67	44,736.10	1,961.31	46,697.41
Buildings for use of Post-Office Department.	14,937.81	8,903.40	10,472.96	9,197.14	43,511.31		43,511.31
Mail transportation—railroad.	10,749,920.13	10,860,160.10	10,971,307.39	11,005,625.08	43,588,012.70	285,486.95	43,883,498.65
Freight on mail bags, postal cards, etc.	38,266.73	50,570.92	56,274.87	64,384.55	211,497.07		211,497.07
Railway post-office car service.	1,158,971.87	1,143,403.47	1,122,823.67	1,142,167.24	4,567,366.25	3,811.55	4,571,177.80
Railway mail service.	4,254,543.64	4,324,681.58	4,373,209.04	4,400,902.66	17,373,336.92	17,195.23	17,390,532.15
Mail transportation—electric and cable cars.	195,954.93	196,374.93	196,603.68	200,796.79	791,723.53	14.85	791,746.38
Transportation of foreign mails.	695,065.75	765,189.24	702,446.57	691,976.07	2,844,679.63	101,282.99	2,945,962.62
Balances due foreign countries.		88,650.24	28,062.98	21,346.60	138,062.82		138,062.82
Miscellaneous expenses, Second Assistant Postmaster-General.	128.15	202.68	240.45	234.30	905.58		905.58

NO. 3.—STATEMENT SHOWING THE CONDITION OF THE ACCOUNT WITH EACH APPROPRIATION FOR THE SERVICE OF THE POST-OFFICE DEPARTMENT FOR THE FISCAL YEAR ENDED JUNE 30, 1908.

Appropriations.	Amount appropriated, including special acts and deficiencies.	Expended.	Balance unexpended.
<i>Office of the Postmaster-General.</i>			
Advertising, Postmaster-General.....	\$5,000.00	\$4,456.64	\$543.36
Post-office inspectors.....	1,136,770.00	1,060,847.90	75,922.10
Payment of rewards.....	20,000.00	1,938.84	18,061.16
Printing and binding opinions of Assistant Attorney-General.....	10,000.00		10,000.00
Miscellaneous expenses, Postmaster-General.....	1,000.00	228.35	771.65
<i>Office of the First Assistant Postmaster-General.</i>			
Compensation to postmasters.....	25,500,000.00	25,599,397.52	99,397.52
Assistant postmasters and clerks in post-offices.....	31,367,000.00	30,993,331.75	463,668.25
Rent, light, and fuel.....	3,229,000.00	3,193,820.94	35,179.06
Miscellaneous items, first and second class offices.....	275,000.00	254,637.37	20,362.63
Cancelling machines, etc.....	275,000.00	274,011.09	988.91
Assistant superintendents, salary and allowance division.....	34,600.00	30,747.03	3,852.97
City-delivery service.....	26,914,300.00	26,343,201.19	571,098.81
Special delivery service.....	1,065,000.00	1,108,164.35	43,164.35
Miscellaneous expenses, First Assistant Postmaster-General.....	1,000.00	689.95	310.05
<i>Office of the Second Assistant Postmaster-General.</i>			
Mail transportation—star.....	7,250,000.00	7,125,025.30	124,974.70
Mail transportation—boat.....	829,000.00	763,333.75	65,666.25
Mail messenger service.....	1,427,000.00	1,416,300.19	10,699.81
Pneumatic tube service.....	1,250,000.00	482,812.62	767,187.38
Wagon service.....	1,321,000.00	1,319,017.18	1,982.82
Mail bags, etc.....	447,500.00	447,500.00	
Mail locks and keys, etc.....	47,500.00	44,736.10	2,763.90
Buildings for use of Post-Office Department.....	43,855.00	43,511.31	343.69
Mail transportation—railroad.....	44,660,000.00	43,588,012.70	1,071,987.30
Freight on mail bags, postal cards, etc.....	250,000.00	211,497.07	38,502.93
Railway post-office car service.....	5,080,000.00	4,567,366.25	512,633.75
Railway Mail Service.....	17,749,843.00	17,373,336.92	376,506.08
Mail transportation—electric and cable cars.....	870,000.00	791,733.33	78,266.67
Transportation of foreign mails.....	3,270,500.00	2,844,679.63	425,820.37
Balances due foreign countries.....	179,000.00	138,052.82	40,947.18
Miscellaneous expenses, Second Assistant Postmaster-General.....	1,000.00	805.58	194.42
<i>Office of the Third Assistant Postmaster-General.</i>			
Manufacture of postage stamps.....	509,000.00	494,046.04	14,953.96
Manufacture of stamped envelopes.....	1,275,000.00	1,094,100.49	180,899.51
Distribution of stamped envelopes.....	22,060.00	21,004.47	1,055.53
Manufacture of postal cards.....	214,000.00	180,152.98	33,847.02
Distribution of postal cards.....	5,720.00	5,716.59	3.41
Ship, steamboat, and way letters.....	500.00	124.76	375.24
Indemnities, domestic registered mail.....	10,000.00	1,461.67	8,538.33
Miscellaneous expenses, Third Assistant Postmaster-General.....	1,000.00	802.34	197.66
Special counsel—suits, second-class mailing privilege.....	2,787.68	2,783.33	4.35
Payment of money orders more than one year old.....	378,010.97	378,010.97	
<i>Office of the Fourth Assistant Postmaster-General.</i>			
Stationery.....	95,000.00	94,059.75	940.25
Official envelopes.....	200,000.00	197,178.74	2,821.26
Blanks, etc., for money-order service.....	200,000.00	198,968.65	1,031.35
Miscellaneous items, registry system.....	5,000.00	3,030.81	1,969.19
Supplies, city-delivery service.....	80,000.00	67,050.60	12,949.40
Postmarking, rating, and money-order stamps.....	35,000.00	34,979.79	20.21
Letter balances and scales.....	10,000.00	7,814.85	2,185.15
Wrapping paper.....	13,000.00	10,141.03	2,858.97
Wrapping twine.....	300,000.00	280,378.09	19,621.91
Packing boxes, etc.....	2,500.00	2,500.00	
Facing slips, etc.....	60,000.00	42,746.36	17,253.64
Typewriters, copying presses, etc.....	80,000.00	78,699.74	1,300.26
Rural-delivery service.....	84,985,000.00	84,355,209.04	629,790.96
Shipment of supplies.....	100,000.00	40,674.99	59,325.01
Miscellaneous expenses, Fourth Assistant Postmaster-General.....	1,000.00	520.30	479.70
Distribution of official envelopes.....	11,020.00	2,852.06	8,167.94
Total.....	213,125,466.65	207,528,222.11	5,719,806.41

a Expended in excess of appropriation.

No. 4.—STATEMENT SHOWING THE CONDITION OF THE ACCOUNTS UNDER SUBHEADS, AND ITEMS OF THE APPROPRIATIONS FOR THE SERVICE OF THE POST-OFFICE DEPARTMENT FOR THE FISCAL YEAR ENDED JUNE 30, 1908.

Appropriations.	Amount appropriated, including special acts and deficiencies.	Expended.	Balance unexpended.
<i>Office of the Postmaster-General.</i>			
Post-office inspectors:			
Salaries.....	\$599,150.00	\$573,072.24	\$26,077.66
Per diem.....	350,000.00	326,624.00	23,376.00
Clerks and laborers.....	96,620.00	74,941.89	21,678.11
Traveling expenses.....	25,000.00	21,906.86	3,093.14
Livery hire.....	60,000.00	58,674.99	1,325.01
Miscellaneous expenses—division headquarters.....	6,000.00	5,627.82	372.18
Payment of rewards:			
Information.....	2,000.00	839.09	1,160.91
<i>Office of the First Assistant Postmaster-General.</i>			
Assistant postmasters and clerks in post-offices:			
Assistant postmasters.....	2,336,800.00	2,288,995.53	47,804.47
Clerks, first and second class offices.....	26,270,200.00	25,880,481.71	289,718.29
Clerks, contract stations, compensation above \$300.....	235,000.00	234,236.06	763.94
Clerks, contract stations, compensation not exceeding \$300.....	515,000.00	494,317.28	20,682.72
Vacation service, first and second class offices.....	110,000.00	92,227.06	17,772.94
Temporary and auxiliary service, first and second class offices.....	225,000.00	173,611.94	51,388.06
Separating mails, third and fourth class offices.....	775,000.00	741,036.28	33,963.72
Unusual conditions.....	100,000.00	95,445.89	4,554.11
Clerks, third-class offices.....	800,000.00	800,000.00	
City delivery service:			
Letter carriers.....	24,450,000.00	24,123,605.93	326,394.07
Substitute, auxiliary, and temporary letter carriers.....	1,200,000.00	1,019,198.92	180,801.08
Letter carriers, new offices.....	70,000.00	57,336.34	12,663.66
Horse hire.....	765,000.00	743,082.64	21,917.36
Car fare and bicycles.....	390,000.00	341,544.04	48,455.96
Mechanics.....	19,800.00	16,080.15	3,719.85
Marine service.....	4,500.00	4,450.00	50.00
Incidental expenses.....	45,000.00	37,923.17	7,076.83
Special delivery service:			
Car fare for messengers.....	a 10,000.00	9,403.24	596.76
Fees to messengers.....	a 1,075,000.00	1,098,761.11	23,761.11
<i>Office of the Second Assistant Postmaster-General.</i>			
Buildings for use of Post-Office Department:			
Rent.....	32,800.00	32,800.00	
Electric power and light.....	8,150.00	7,816.31	333.69
Moving.....	2,905.00	2,895.00	10.00
Railway mail service:			
Salaries.....	17,439,443.00	17,090,436.82	349,006.18
Emergency service.....	50,000.00	42,884.74	7,115.26
Vacation service.....	50,000.00	46,064.75	3,935.25
Injured service.....	100,000.00	87,301.56	12,698.44
Traveling expenses.....	20,000.00	19,809.17	190.83
Office expenses.....	60,000.00	56,660.65	3,339.35
Per diem, assistant superintendents.....	27,500.00	27,280.00	220.00
Expenses, assistant superintendents.....	2,900.00	2,899.23	.77
Mail transportation—electric and cable cars:			
Underground service in Chicago.....	172,600.00	172,193.00	407.00
Transportation of foreign mails:			
Sea post-office service.....	105,000.00	83,235.43	21,764.57
Transfer service.....	40,000.00	39,000.00	1,000.00
Indemnities for losses, international registered mail.....	5,000.00		5,000.00
Assistant superintendent.....	2,500.00	2,500.00	
<i>Office of the Fourth Assistant Postmaster-General.</i>			
Rural delivery service:			
Supplies.....	85,000.00	53,985.17	31,014.83
Carriers, clerks, tolls, and ferrage.....	34,900,000.00	34,301,223.87	598,776.13
Clerks at substations.....	b 12,000.00	7,861.32	4,138.68
Distribution of official envelopes:			
Registry envelopes.....	5,060.00	1,591.44	2,468.56
Official envelopes.....	5,960.00	1,260.62	4,699.38
a Fees—expended in excess of appropriation.....			\$23,761.11
Car fare—unexpended balance of appropriation.....			596.76

Expended in excess of appropriation for special delivery service (see Table 3)..... 23,164.35

b Included in preceding item.

No. 5.—COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES OF THE POST-OFFICE DEPARTMENT FROM JULY 1, 1836, TO JUNE 30, 1908.

Fiscal year.	Receipts.			Expenditures.*
	Revenue.	Treasury grants.	Total.	
1837	\$4,945,668.21		\$4,945,668.21	\$3,288,319.03
1838	4,238,733.46		4,238,733.46	4,430,662.21
1839	4,484,656.70		4,484,656.70	4,636,536.31
1840	4,543,521.92		4,543,521.92	4,718,235.64
1841	4,407,726.27	\$482,657.00	4,890,383.27	4,499,827.61
1842	4,546,849.65		4,546,849.65	5,674,753.71
1843	4,296,225.43		4,296,225.43	4,374,753.71
1844	4,237,287.83		4,237,287.83	4,296,512.70
1845	4,289,841.80		4,289,841.80	4,320,731.99
1846	3,487,199.35	780,000.00	4,237,199.35	4,076,036.91
1847	3,880,309.23	12,500.00	3,892,809.23	3,979,842.10
1848	4,555,211.10	125,000.00	4,680,211.10	4,326,850.27
1849	4,705,176.28		4,705,176.28	4,479,049.13
1850	5,499,984.86		5,499,984.86	5,212,953.43
1851	6,410,604.33		6,410,604.33	6,278,401.68
1852	5,184,526.84	1,741,444.44	6,925,971.28	7,108,460.04
1853	5,240,724.70	2,255,000.00	7,495,724.70	7,982,756.59
1854	6,255,586.22	2,736,748.96	8,992,335.18	8,577,424.12
1855	6,642,130.13	3,114,542.26	9,756,678.39	9,968,342.29
1856	6,920,821.66	3,748,881.56	10,669,703.22	10,405,296.36
1857	7,353,951.76	4,528,004.67	11,881,956.43	11,508,057.93
1858	7,486,792.86	4,679,270.71	12,166,063.57	12,722,470.01
1859	7,968,484.07	3,915,946.49	11,884,430.56	11,458,053.63
1860	8,518,067.40	11,154,167.54	19,672,234.94	19,170,609.89
1861	8,349,296.40	4,639,806.53	12,989,102.93	13,606,759.11
1862	8,299,820.90	2,598,953.71	10,898,774.61	11,125,364.13
1863	11,163,789.59	1,007,848.72	12,171,638.31	11,314,207.84
1864	12,438,253.78	749,980.00	13,188,233.78	12,644,786.20
1865	14,550,158.70	3,968.46	14,550,127.16	13,664,728.28
1866	14,436,986.21		14,436,986.21	15,352,079.30
1867	15,297,026.87	3,991,696.67	19,288,693.54	19,236,483.46
1868	16,232,600.80	5,096,525.00	21,989,125.80	22,730,562.65
1869	18,344,510.72	5,707,115.30	24,051,626.02	23,668,131.50
1870	19,772,220.65	4,022,140.85	23,794,361.50	23,968,837.63
1871	20,037,045.42	4,126,200.00	24,163,245.42	24,390,104.08
1872	21,915,426.37	4,993,750.00	26,909,176.37	26,658,192.31
1873	22,990,741.57	5,990,475.00	28,987,216.57	29,084,945.67
1874	26,471,071.82	5,922,453.55	32,393,525.37	32,126,414.52
1875	26,791,300.59	6,704,646.96	33,496,007.55	33,611,309.45
1876	28,644,197.50	5,088,583.03	33,732,780.53	33,203,457.58
1877	27,531,585.26	7,013,300.00	34,544,885.26	33,490,322.44
1878	29,277,516.95	5,307,652.82	34,585,169.77	34,165,084.49
1879	30,041,982.86	3,297,965.25	33,339,948.11	33,449,899.45
1880	33,315,479.34	3,597,717.20	36,913,196.54	36,542,903.68
1881	36,785,397.97	3,297,921.46	40,083,319.43	39,562,556.22
1882	41,876,410.15	6,595.12	41,833,005.27	40,482,021.23
1883	45,508,692.61	21,416.85	45,530,109.46	43,282,944.43
1884	43,325,958.81	140,690.79	43,466,649.60	47,224,550.27
1885	42,540,843.83	6,066,473.00	48,607,316.83	50,046,235.21
1886	43,948,422.95	8,761,070.73	52,699,493.68	51,004,743.80
1887	49,837,609.39	4,746,167.06	53,583,776.45	53,006,194.39
1888	52,095,176.79	3,396,441.70	56,081,618.49	56,465,315.20
1889	56,175,611.18	5,745,017.89	61,920,629.07	62,317,119.36
1890	60,882,097.92	6,100,000.00	66,982,097.92	66,259,547.84
1891	65,931,785.72	4,441,772.08	70,373,557.80	73,059,519.49
1892	70,930,475.98	6,260,232.64	77,190,708.62	76,980,846.16
1893	75,896,993.10	6,727,828.43	82,624,761.59	81,551,651.33
1894	75,080,479.04	10,200,895.13	85,281,374.17	84,994,111.62
1895	76,983,128.19	9,872,962.53	86,856,090.72	87,179,551.28
1896	82,499,208.40	8,830,000.56	91,329,808.96	90,932,669.50
1897	82,665,462.73	12,133,392.88	94,798,855.61	94,077,242.38
1898	89,012,618.55	9,341,258.81	98,353,877.36	98,033,523.61
1899	95,021,384.17	7,902,040.58	102,923,424.75	101,632,160.92
1900	102,354,579.29	6,250,019.95	108,604,599.24	107,740,267.99
1901	111,631,193.39	4,001,345.17	115,632,538.56	115,554,920.87
1902	121,848,047.26	2,490,635.34	124,338,682.60	124,785,697.07
1903	134,224,443.24	3,753,955.50	137,978,398.74	138,784,457.97
1904	143,582,624.34	7,631,837.43	151,214,461.77	152,362,116.70
1905	152,826,585.10	14,931,688.45	167,758,273.55	167,399,109.23
1906	167,932,782.95	11,071,558.22	179,004,341.17	178,449,778.89
1907	183,585,005.57	7,624,439.99	191,209,445.56	190,228,288.34
1908	191,478,663.41	13,085,430.16	204,514,093.57	208,351,886.16

* Includes expenditures made during the year for the current and prior fiscal years. For details for 1908 see page 332 of this report.

NO. 6.—STATEMENT SHOWING THE TRANSACTIONS OF THE MONEY-ORDER OFFICES OF THE UNITED STATES DURING THE YEAR ENDED JUNE 30, 1908.

States and Territories.	Balance from last year.	Domestic money orders issued.			International orders issued.		
		Number.	Amount.	Fees.	Number.	Amount.	Fees.
Alabama.....	\$116,934.97	1,122,599	\$7,062,884.24	\$61,455.96	10,056	\$299,021.88	\$2,963.20
Alaska.....	175,334.57	59,350	2,023,187.49	7,993.23	4,886	250,721.36	1,635.49
Arizona.....	127,787.22	281,827	3,886,635.95	20,951.15	26,378	902,357.83	7,033.91
Arkansas.....	105,486.61	1,016,800	6,139,823.23	54,798.78	2,910	73,408.03	723.32
California.....	933,135.25	2,986,462	32,363,509.99	214,301.48	239,644	7,060,060.72	59,762.87
Colorado.....	209,990.82	1,091,008	10,454,926.70	71,994.92	43,180	1,751,840.09	14,109.05
Connecticut.....	143,086.72	806,601	6,803,872.45	51,357.63	88,298	2,830,808.13	28,931.23
Delaware.....	7,080.67	89,460	639,467.83	5,485.71	3,610	80,148.83	825.85
District of Columbia.....	14,999.24	230,527	2,275,926.74	15,892.48	19,880	443,762.15	4,760.96
Florida.....	93,746.77	726,944	4,533,692.48	40,463.32	8,826	244,761.25	2,530.41
Georgia.....	89,455.45	1,715,686	8,309,082.62	84,850.30	6,351	149,453.67	1,597.85
Hawaii.....	158,289.86	101,013	2,214,360.72	10,411.21	42,881	1,211,129.82	7,341.24
Idaho.....	83,690.05	432,546	4,354,320.84	29,113.71	10,829	406,989.92	3,553.42
Illinois.....	613,695.35	4,113,302	30,438,557.78	247,332.29	284,095	7,597,338.69	65,015.23
Indiana.....	182,377.61	2,115,575	14,057,040.16	120,861.68	28,775	811,380.57	7,177.22
Iowa.....	189,861.66	2,347,615	12,768,744.80	122,729.79	21,082	444,234.48	4,457.63
Kansas.....	118,122.48	1,905,872	11,702,021.39	104,556.02	18,358	523,365.80	4,440.09
Kentucky.....	81,617.43	733,576	4,348,803.00	39,224.57	7,126	113,522.21	1,115.09
Louisiana.....	136,068.24	740,709	5,675,259.09	44,220.33	14,072	390,081.79	3,563.77
Maine.....	107,257.06	709,909	5,477,747.67	43,844.70	13,536	397,356.83	3,302.22
Maryland.....	68,046.41	441,963	3,729,109.35	27,965.67	29,848	620,491.01	6,338.06
Massachusetts.....	395,071.67	2,210,472	17,400,774.00	131,169.35	262,723	5,687,898.52	50,749.09
Michigan.....	308,972.65	2,816,239	20,223,927.46	166,392.15	82,825	2,048,977.36	19,229.59
Minnesota.....	289,802.92	1,780,680	13,221,523.12	105,574.01	62,311	1,594,393.52	12,387.38
Mississippi.....	69,793.60	1,100,393	6,264,894.32	58,548.00	3,050	77,418.95	760.72
Missouri.....	244,454.18	2,199,038	14,282,661.94	122,438.12	59,779	1,843,856.39	16,467.43
Montana.....	234,837.89	547,180	6,524,160.83	40,153.91	35,945	1,380,507.03	11,000.50
Nebraska.....	175,916.26	1,450,959	8,848,606.91	79,105.76	18,913	485,913.88	4,526.45
Nevada.....	67,559.80	284,291	4,927,925.92	25,500.03	8,586	392,759.33	3,481.61
New Hampshire.....	49,945.02	397,517	2,897,293.27	24,122.83	14,711	289,831.52	3,135.04
New Jersey.....	143,536.94	1,044,680	9,238,474.26	68,723.10	170,263	3,408,789.08	33,960.15
New Mexico.....	54,596.95	245,818	2,256,596.01	16,048.84	3,838	120,945.48	912.97
New York.....	731,086.05	4,933,265	44,429,329.60	324,060.31	750,000	14,745,814.43	151,524.15
North Carolina.....	68,227.03	859,642	4,397,968.43	43,465.39	2,744	60,248.80	653.38
North Dakota.....	89,773.04	700,128	4,931,823.66	40,860.64	17,466	190,617.96	1,698.12
Ohio.....	382,198.90	3,009,128	22,312,976.01	179,556.37	132,102	3,442,454.41	30,729.66
Oklahoma.....	95,211.02	1,350,597	9,162,392.66	76,633.05	5,994	209,568.53	1,961.55
Oregon.....	261,194.40	899,733	8,904,988.57	59,688.21	38,480	1,478,362.53	11,062.77
Pennsylvania.....	683,908.00	4,143,705	37,812,308.92	273,778.79	309,642	7,721,246.87	77,459.02
Porto Rico.....	99,194.04	159,032	2,674,444.60	14,013.88	1,772	52,979.61	544.89
Rhode Island.....	40,827.95	259,555	2,514,795.84	18,060.14	39,653	720,869.50	7,625.80
South Carolina.....	52,087.28	740,479	3,616,865.23	36,683.69	2,532	56,218.16	553.12
South Dakota.....	58,561.04	644,025	4,263,228.96	36,561.14	6,078	150,192.95	1,234.07
Tennessee.....	122,991.67	1,065,268	5,808,255.49	54,862.29	6,123	129,614.18	1,383.42
Texas.....	303,872.08	2,908,035	20,078,949.65	165,934.29	28,618	597,975.90	5,164.01
Utah.....	148,284.34	311,233	3,308,654.18	22,060.33	26,872	898,227.02	8,288.21
Vermont.....	47,984.36	394,646	2,756,849.04	23,245.08	10,403	243,730.72	2,550.66
Virginia.....	138,591.63	553,093	6,039,463.49	49,432.46	12,983	311,827.88	3,158.50
Washington.....	556,763.34	1,487,517	15,830,353.67	102,792.79	95,691	3,709,673.77	27,728.50
West Virginia.....	155,484.80	600,164	5,584,093.65	39,412.28	10,664	431,825.26	4,221.78
Wisconsin.....	260,669.82	1,910,225	14,035,158.70	113,790.77	76,117	2,196,493.67	17,464.12
Wyoming.....	70,651.97	227,794	2,415,021.24	15,946.88	8,483	352,967.64	2,913.79
Tutulla.....	2,696.90	348	15,938.07	56.47			
Shanghai.....	5,771.19	2,543	54,836.35	252.96			
Superintendent M. O. system.....		37,132	306,627.70				
Guam.....	31,658.10	1,437	55,278.35	212.04	703	57,463.57	300.62
Total.....	10,197,512.27	65,345,395	506,170,014.62	3,949,001.88	3,230,815	81,502,011.18	754,884.69

* Payable in foreign countries and the Philippines, 480,825, amounting to \$7,470,377.13.

NO. 6.—STATEMENT SHOWING THE TRANSACTIONS OF THE MONEY-ORDER OFFICES
OF THE UNITED STATES DURING THE YEAR ENDED JUNE 30, 1908—Continued.

States and Ter- ritories.	Foreign exchange received.	Number certifi- cates of deposit.	Deposits re- ceived from postmasters.	Drafts on postmaster at New York, N. Y.	Drafts on assistant treasurer at New York, N. Y.	Transferred from postage fund.
Alabama.....		37,966	\$4,187,937.25	\$96,430.00		\$27,948.17
Alaska.....		377	565,044.37	664.00		832.78
Arizona.....		6,732	2,222,200.41	27,447.00		24,255.10
Arkansas.....		24,044	2,680,685.99	381,106.00		57,906.28
California.....		94,984	27,679,304.00	880,287.72		477,683.72
Colorado.....		26,835	6,488,374.17	253,595.00		95,830.84
Connecticut.....		25,845	3,600,393.99	221,774.90		17,025.41
Delaware.....		2,683	289,527.12	14,922.00		4,038.66
District of Columbia.....		15,558	2,122,901.11	705,000.00		
Florida.....		21,008	2,634,108.39	73,198.00		56,816.91
Georgia.....		48,856	5,782,287.09	264,324.28		68,890.51
Hawaii.....		3,260	2,527,883.27			22.04
Idaho.....		5,381	1,183,829.85	100,421.00		20,771.94
Illinois.....		206,583	110,079,874.12	3,710,743.89		262,370.06
Indiana.....		49,944	6,086,474.35	914,109.00		161,819.17
Iowa.....		61,524	6,945,541.35	896,698.00		180,950.78
Kansas.....		30,063	3,257,686.42	477,950.22		135,702.43
Kentucky.....		24,205	2,465,371.27	687,298.55		113,665.53
Louisiana.....		36,021	6,007,219.02	67,212.41		64,193.22
Maine.....		26,984	3,216,846.24	201,058.84		68,427.09
Maryland.....		26,309	3,318,548.29	136,402.00		11,063.66
Massachusetts.....		101,941	20,337,401.21	321,589.12		59,571.72
Michigan.....		84,372	11,996,050.19	2,541,412.58		242,045.81
Minnesota.....		80,478	12,588,507.29	610,731.48		90,203.77
Mississippi.....		19,516	2,006,046.58	421,839.00		39,589.74
Missouri.....		144,128	22,894,394.69	664,614.00		111,485.35
Montana.....		16,863	3,896,531.65	29,530.00		10,833.52
Nbraska.....		52,937	6,374,110.56	675,410.00		73,274.83
Nevada.....		127	33,877.91	69,510.00		25,155.96
New Hampshire.....		9,272	912,339.01	53,724.77		12,037.27
New Jersey.....		37,371	4,780,813.31	350,644.50		49,407.37
New Mexico.....		6,765	1,279,121.43	225,624.19		15,577.41
New York.....	6,117,595.52	250,899	133,638,271.58	9,556,880.65	66,496,963.15	2,292,688.10
North Carolina.....		19,946	1,765,619.02	633,804.30		35,215.71
North Dakota.....		13,897	1,579,587.08	94,898.24		25,712.60
Ohio.....		101,557	15,249,667.74	1,205,112.00		292,994.07
Oklahoma.....		16,077	1,765,510.58	450,983.90		135,964.89
Oregon.....		28,835	6,081,884.27	497,344.99		62,632.64
Pennsylvania.....		184,488	34,273,962.87	1,442,412.00		193,687.95
Porto Rico.....		5,425	1,433,345.24	92,706.00		60,572.48
Rhode Island.....		11,687	1,907,610.65	16,318.00		8,850.90
South Carolina.....		20,121	2,038,042.41	153,019.00		18,518.49
South Dakota.....		12,563	1,559,164.04	62,913.00		17,789.62
Tennessee.....		62,887	6,362,215.43	669,783.00		127,010.04
Texas.....		87,181	13,268,157.76	540,481.21		259,109.49
Utah.....		15,304	3,653,551.22	81,919.00		13,999.63
Vermont.....		11,141	1,267,490.72	61,037.00		11,632.62
Virginia.....		28,838	3,885,708.24	409,220.14		76,618.97
Washington.....		45,291	11,880,015.61	267,196.00		80,946.56
West Virginia.....		21,335	3,523,294.34	55,623.70		7,015.83
Wisconsin.....		56,194	9,003,040.42	367,350.95		112,801.66
Wyoming.....		4,715	1,057,403.86	58,615.00		6,578.74
Total.....	6,117,595.52	2,317,421	545,645,306.80	\$2,752,862.57	66,496,963.15	6,397,969.41

NO. 6.—STATEMENT SHOWING THE TRANSACTIONS OF THE MONEY-ORDER OFFICES OF THE UNITED STATES DURING THE YEAR ENDED JUNE 30, 1908—Continued.

States and Territories.	Gain.	Balance due postmasters.	Domestic money orders paid.		International orders paid.	
			Number.	Amount.	Number.	Amount.
Alabama.....	\$29.18	\$408.75	520,108	\$4,199,637.16	751	\$25,155.82
Alaska.....	1.17		11,321	467,044.90	109	5,457.19
Arizona.....	11.00	45.77	86,221	1,492,820.26	973	31,943.08
Arkansas.....	7.12	570.72	465,684	3,570,196.23	540	17,158.87
California.....	875.75	914.15	2,129,740	30,580,336.38	24,040	589,279.20
Colorado.....	116.12	117.05	757,987	8,627,889.96	4,578	145,379.80
Connecticut.....	2.70	33.41	534,664	4,437,971.11	6,450	217,210.38
Delaware.....	.88		70,722	498,127.14	550	15,277.81
District of Columbia.....			502,760	3,476,364.23	17,370	186,719.93
Florida.....	11.99	192.51	461,506	3,077,120.80	910	27,512.60
Georgia.....	176.20	291.62	1,333,301	6,394,951.65	843	17,820.07
Hawaii.....	2.45		72,303	1,709,142.26	689	19,023.61
Idaho.....	13.39	22.12	135,459	1,985,103.25	501	20,708.10
Illinois.....	27.52	105.00	13,215,623	83,728,651.91	54,112	1,190,608.49
Indiana.....	13.92	120.48	1,606,458	11,533,590.22	7,291	100,531.74
Iowa.....	15.01	728.37	1,583,663	9,942,768.14	8,935	117,623.38
Kansas.....	15.26	186.99	1,965,512	7,017,816.12	2,367	80,506.78
Kentucky.....	1.56	31.84	570,755	4,129,309.81	1,007	26,676.78
Louisiana.....	14.18	41.70	457,603	4,091,100.82	2,249	70,767.94
Maine.....	.31	8.65	748,301	3,735,435.97	1,100	30,128.78
Maryland.....	2.74	87.04	397,604	3,536,310.71	849	98,255.90
Massachusetts.....	13.93	86.76	2,956,713	18,849,168.01	25,471	472,213.80
Michigan.....	72.02	182.31	2,289,291	17,603,955.74	10,583	311,775.81
Minnesota.....	7.04	147.52	1,648,668	11,585,056.68	6,595	250,904.52
Mississippi.....	73.63	171.12	397,418	2,910,042.65	313	8,999.01
Missouri.....	3.38	251.46	3,463,099	22,416,675.41	11,473	336,572.07
Montana.....	13.83	161.37	166,090	2,265,630.74	1,126	42,702.28
Nebraska.....	5.36	26.89	968,116	7,429,211.85	2,443	84,086.17
Nevada.....	6.29		86,018	2,065,930.35	433	19,198.38
New Hampshire.....	1.10	14.84	195,224	1,693,743.41	725	16,380.72
New Jersey.....	10.62	43.93	808,053	6,978,829.80	16,025	483,063.82
New Mexico.....	475.02	172.61	102,290	1,366,698.38	570	15,026.52
New York.....	54.80	256.02	9,714,694	84,061,602.09	146,040	2,511,003.99
North Carolina.....	4.51	121.73	527,801	3,176,228.39	475	12,006.54
North Dakota.....	10.38	744.75	179,270	1,832,358.20	1,294	42,063.28
Ohio.....	22.08	66.71	2,988,790	20,811,679.23	18,336	578,307.42
Oklahoma.....	79.33	559.86	492,040	4,873,733.80	710	28,433.56
Oregon.....	35.66	666.34	572,672	7,238,267.98	2,102	80,144.39
Pennsylvania.....	25.86	292.25	3,930,058	31,409,761.12	40,405	1,208,883.74
Porto Rico.....	50.54		119,210	1,957,890.20	193	4,927.71
Rhode Island.....	.22	10	251,972	1,910,806.87	3,103	81,783.16
South Carolina.....	.65	205.57	271,097	1,897,848.31	371	7,876.40
South Dakota.....	3.45	33.97	194,628	1,538,302.77	840	30,760.59
Tennessee.....	2.08	117.09	1,167,058	6,294,354.94	998	24,279.74
Texas.....	24.50	554.79	1,750,088	14,070,525.85	9,278	224,540.14
Utah.....	1.24	25	152,637	2,358,450.71	1,238	38,241.37
Vermont.....	1.33	14.90	181,848	1,587,525.78	544	12,296.03
Virginia.....	45.88	263.52	653,537	4,693,305.84	1,495	40,601.17
Washington.....	12.08	107.75	764,380	10,917,831.71	4,817	181,972.88
West Virginia.....	8.67	117.16	195,174	1,942,146.22	1,182	54,017.00
Wisconsin.....	13.31	872.38	1,306,726	10,316,950.46	8,179	207,032.07
Wyoming.....	10.48	12.85	54,090	743,257.98	306	12,434.27
Tutulla.....			62	1,038.39		
Shanghai.....			1,270	33,141.70		
Superintendent M. O. system.....			36,430	256,760.20	398	49,897.60
Guam.....			139	7,183.80	4	85.56
Total.....	2,429.10	10,173.03	65,217,528	507,649,615.62	452,544	10,638,461.32

States and Territories.	Foreign exchange purchased.	Drafts paid by postmaster at New York, N. Y.	Deposited with assistant treasurer at New York, N. Y., and Chicago, Ill.	Deposited on account of revenue.
District of Columbia.....	\$97.40			
Illinois.....			\$37,218,000.00	
New York.....	73,312,046.15	\$32,411,666.27	31,558,326.81	\$3,689,813.68
Total.....	73,312,143.55	32,411,666.27	68,776,326.81	3,689,813.68

* Issued in foreign countries and the Philippines, 1,044,078, amounting to \$12,678,114.71.

No. 6.—STATEMENT SHOWING THE TRANSACTIONS OF THE MONEY-ORDER OFFICES OF THE UNITED STATES DURING THE YEAR ENDED JUNE 30, 1908—Continued

States and Territories.	Deposited at first-class offices.	Transferred to postage fund.	Loss.	Commissions on money orders.	Balance due the United States.	Balance due postmasters last year.
Alabama.....	\$7,439,353.63	\$7,905.10	\$481.59	\$24,885.30	\$126,761.13	\$1,763.87
Alaska.....	2,168,064.84	18,232.99		1,615.09	365,759.75	
Arizona.....	5,111,622.89	1,257.66		5,420.43	79,201.03	
Arkansas.....	5,748,910.66	33,516.03	394.85	24,063.27	99,969.02	310.15
California.....	37,736,980.34	10,898.90	2,015.04	40,481.34	719,263.22	601.23
Colorado.....	10,355,305.94	27,362.02	328.10	15,373.92	166,202.29	152.94
Connecticut.....	8,423,222.69	2,096.02	647.81	8,113.53	118,138.31	30.72
Delaware.....	463,622.12	2,771.52		1,936.09	9,961.66	
District of Columbia.....	1,842,223.05	57,000.00		20,839.07	92,721.03	77
Florida.....	4,435,546.30	30,637.58	137.80	15,169.62	141,005.36	182.30
Georgia.....	8,180,778.78	26,814.23	592.81	36,940.65	218,752.68	959.94
Hawaii.....	4,118,325.27	551.81		3,045.03	73,884.47	8.87
Idaho.....	4,096,083.79	7,669.32	173.75	8,892.69	546,094.44	290.94
Illinois.....	30,213,375.81	55,750.65	817.73	61,369.86	169,586.70	176.73
Indiana.....	10,218,483.01	223,303.19	121.84	35,071.53	210,079.92	84.02
Iowa.....	10,842,073.67	362,354.57	138.51	46,539.46	138,622.30	94.61
Kansas.....	8,962,501.01	94,149.00	447.03	39,520.85	91,490.65	170.08
Kentucky.....	3,435,850.81	181,902.27	528.77	14,690.88	143,285.30	226.13
Louisiana.....	7,950,802.53	4,639.90	378.43	16,773.30	113,491.67	9.96
Maine.....	5,530,515.56	10,950.33	375.03	14,942.31	64,421.85	161.76
Maryland.....	4,213,511.26	4,265.60	70.55	5,076.44	356,671.39	28.74
Massachusetts.....	24,612,919.93	8,246.13	781.56	13,296.30	305,869.95	1,114.22
Michigan.....	18,046,490.01	1,223,133.03	678.89	51,244.98	238,313.59	87.21
Minnesota.....	15,320,223.10	1,063,367.59	474.08	24,851.18	89,827.87	307.24
Mississippi.....	5,888,528.74	16,045.31	257.61	26,229.33	235,463.15	565.78
Missouri.....	17,035,853.81	112,362.68	1,241.63	40,587.21	204,720.17	105.37
Montana.....	9,324,821.54	20,122.84	2.51	9,625.68	150,455.89	65.00
Nebraska.....	8,873,746.03	145,729.67	234.29	33,368.01	62,389.75	13.36
Nevada.....	3,384,855.27	7,903.70	393.48	5,155.92	48,893.13	88.38
New Hampshire.....	2,466,082.27	10,784.43	7.42	6,554.94	170,485.33	6.00
New Jersey.....	10,419,905.03	11,515.89	155.88	10,353.73	820,349.73	360.39
New Mexico.....	2,513,655.05	2,399.19	25.98	5,476.56	76,011.32	418.78
New York.....	46,804,545.33	259,501.73	900.45	54,399.93	304,260.79	184.12
North Carolina.....	3,178,784.70	543,072.55	23.42	18,337.92	132,528.78	951.81
North Dakota.....	4,902,324.08	53,587.72	890.23	17,212.92	205,827.91	56.18
Ohio.....	21,029,624.89	326,236.42	150.49	45,364.59	573,566.81	1,051.12
Oklahoma.....	6,364,152.56	464,762.59	1,448.14	30,853.83	117,181.94	
Oregon.....	9,811,661.87	5,785.51	291.21	15,646.53	35,001.01	75.41
Pennsylvania.....	49,009,326.01	245,339.78	1,172.75	59,981.19	64,023.14	74.76
Porto Rico.....	2,344,457.77	82.92		8,810.74	77,665.67	425.21
Rhode Island.....	3,201,364.83	3,348.16	39.62	15,683.55	317,677.07	1,631.83
South Carolina.....	4,011,431.57	5,191.51	63.59	16,042.36	95,730.28	73.57
South Dakota.....	4,263,259.11	237,589.63	87.44	26,479.73	112,243.77	2.42
Tennessee.....	6,768,866.36	45,322.97	975.52	23,242.86	415,631.37	574.96
Texas.....	20,215,099.47	331,335.60	627.11	58,880.61	120,904.07	239.79
Utah.....	5,612,189.78	24,418.08		5,821.65	214,370.25	182.45
Vermont.....	2,719,519.66	7,810.81	130.34	8,176.11	85,852.35	.41
Virginia.....	6,032,157.87	18,590.84	140.63	16,625.64	7,473.61	
Washington.....	20,911,946.96	2,826.09	172.14	24,479.73	7,118.01	
West Virginia.....	7,637,076.45	34,598.81	338.39	12,371.10		
Wisconsin.....	15,237,842.67	22,494.79	238.13	38,074.89		
Wyoming.....	3,088,285.50	45,058.15	57.00	5,063.79		
Tutula.....	10,139.00			10.44		
Shanghai.....	20,524.50			76.39		
Guam.....	123,979.96	399.63		64.20		
Total.....	546,158,672.53	6,493,953.50	19,551.38	1,133,024.73	9,699,156.03	14,328.80

No. 7.—STATEMENT SHOWING THE RECEIPTS AND DISBURSEMENTS OF THE MONEY-ORDER OFFICES OF THE UNITED STATES DURING THE FISCAL YEAR ENDED JUNE 30, 1908.

RECEIPTS.

Balance in the hands of postmasters June 30, 1907.....	\$10,197,512.27
Domestic money orders issued.....	\$506,170,014.62
International money orders issued.....	81,502,011.18
Fees on domestic money orders issued.....	3,949,001.88
Fees on international money orders issued.....	754,884.69
Foreign exchange received.....	6,117,595.53
Deposits received from postmasters.....	545,645,306.80
Drafts drawn on postmaster at New York, N. Y.....	32,752,862.57
Drafts drawn on assistant treasurer at New York, N. Y.....	66,496,963.15
Transferred from postage fund.....	6,397,859.41
Miscellaneous.....	2,429.10
Adjustments due postmasters June 30, 1908.....	10,173.03
Total receipts.....	1,249,799,201.96
Total receipts.....	1,249,996,714.22

DISBURSEMENTS.

Domestic money orders paid.....	\$507,649,615.62
International money orders paid.....	10,638,461.22
Foreign exchange purchased.....	73,312,143.55
Drafts paid by postmaster at New York, N. Y.....	32,411,666.27
Deposited with assistant treasurer at New York, N. Y., to credit of Postmaster-General on money-order account.....	31,558,326.81
Deposited with assistant treasurer at Chicago, Ill., to credit of Postmaster-General on money-order account.....	37,218,000.00
Deposited with assistant treasurer at New York, N. Y., to credit of Treasurer of the United States for use of the Post-Office Department, being revenue on money-order account.....	3,889,813.68
Deposited at first-class offices by other postmasters.....	546,158,672.53
Transferred to postage fund.....	6,493,963.50
Losses by fire, burglary, etc.....	19,551.38
Commissions on money orders.....	1,133,624.73
Settlement of balances due postmasters June 30, 1907.....	14,328.80
Total disbursements.....	\$1,250,297,558.19
Balance in the hands of postmasters June 30, 1908.....	9,699,156.03
	<u>1,259,996,714.22</u>

No. 8.—STATEMENT SHOWING THE REVENUE WHICH ACCRUED ON MONEY-ORDER ACCOUNT DURING THE FISCAL YEAR ENDED JUNE 30, 1908.

DOMESTIC.

Received for fees on orders issued.....	\$3,949,001.88
From miscellaneous.....	2,429.10
	<u>\$3,951,430.98</u>
Allowed postmasters:	
For commissions.....	1,121,272.02
For losses by fire, burglary, etc.....	19,551.38
Total.....	<u>1,140,823.40</u>
Balance.....	<u>2,810,607.58</u>
	<u>3,951,430.98</u>

INTERNATIONAL.

Received for fees on orders issued.....	754,894.67
Received from foreign countries for commissions.....	17,090.00
Gain on exchange.....	391,876.80
	<u>1,163,861.47</u>
Allowed postmasters for commissions.....	11,752.71
Allowed foreign countries:	
For commissions.....	284,662.61
For incidental expenses.....	288.35
Total.....	<u>296,703.67</u>
Balance.....	<u>867,147.86</u>
	<u>1,163,861.48</u>

RECAPITULATION OF BALANCES.

Balance on domestic money-order transactions.....	2,810,607.58
Balance on international money-order transactions.....	867,147.86
Total.....	<u>3,677,755.44</u>

No. 9.—STATEMENT OF ASSETS AND LIABILITIES OF THE MONEY-ORDER SERVICE JUNE 30, 1908.

ASSETS.

In the hands of assistant treasurer at New York, N. Y.....	\$3,829,615.43
In the hands of assistant treasurer at Chicago, Ill.....	3,947,000.00
In the hands of postmasters.....	9,699,156.03
Due money-order account, being balance on transfers for quarters ended March 31 and June 30, 1908.....	71,609.29
	<u>\$17,547,380.75</u>

LIABILITIES.

Due Post-Office Department, being revenue on money-order account for quarters ended March 31 and June 30, 1908.....	1,739,964.96
Due unpaid money-order account, being the amount of invalid advices received from postmasters during the year ended June 30, 1908.....	360,159.47
Unpaid domestic money orders.....	10,009,444.34
Outstanding certificates of deposit.....	1,434,406.02
Balance due on international money-order lists for which no accounts have been received.....	2,523,959.13
Value of international orders certified to United States, and not paid prior to June 30, 1908.....	1,490,273.80
Adjustments due postmasters June 30, 1908.....	10,173.03
	<u>17,547,380.75</u>

NO. 10.—STATEMENT SHOWING THE NUMBER AND VALUE OF ORDERS ISSUED IN THE UNITED STATES AND PAID IN FOREIGN COUNTRIES DURING THE YEAR ENDING JUNE 30, 1908.

Nationality.	Number of orders certified.	Value of orders certified.	Increase.	Decrease.
Antigua.....	2,450	\$29,116.60	\$3,766.80	.....
Bahamas.....	441	8,189.67	2,437.23	.....
Barbados.....	25,943	355,156.69	124,839.07	.....
Bermuda.....	781	16,636.25	5,510.76	.....
British Guiana.....	1,300	16,196.47	1,019.73	.....
British Honduras.....	142	1,688.65	402.56	.....
Canada.....	402,210	6,077,710.40	398,740.27	.....
Canal Zone.....	1,584	33,380.75	15,123.32	.....
Cuba.....	16,277	337,691.04	.....	\$28,050.80
Dominica.....	224	2,658.67	1,149.61	.....
Grenada.....	2,177	39,311.25	15,133.04	.....
Jamaica.....	12,642	201,288.00	78,011.16	.....
Montserrat.....	612	6,844.26	1,773.85	.....
Nevis.....	181	2,157.46	160.12	.....
Newfoundland.....	5,248	110,276.10	.....	15,940.78
Philippines.....	5,676	185,068.16	6,526.13	.....
Saint Kitts.....	794	15,321.78	1,114.87	.....
Saint Lucia.....	1,154	16,945.55	4,209.73	.....
Saint Vincent.....	1,064	14,496.15	6,019.25	.....
Virgin Islands.....	25	263.23	.....	3.23
Total of orders exchanged on the domestic basis.....	480,825	7,470,377.13	670,937.50	43,994.81
Austria.....	259,064	7,805,631.61	196,996.25	.....
Belgium.....	28,859	789,248.59	38,004.84	.....
Bolivia.....	48	815.50	499.50	.....
Cape Colony.....	1,173	22,261.09	1,260.93	.....
Chile.....	309	7,643.10	.....	745.23
Costa Rica.....	128	1,819.20	.....	1.18
Denmark.....	33,823	609,555.21	33,114.79	.....
Egypt.....	1,114	24,129.97	3,112.44	.....
France.....	80,189	1,514,453.33	229,077.40	.....
Germany.....	270,211	4,344,768.50	210,245.26	.....
Great Britain.....	780,939	12,411,387.79	829,359.25	.....
Greece.....	53,201	2,358,010.28	258,166.75	.....
Honduras.....	32	568.03	.....	204.26
Hongkong.....	752	17,554.61	.....	2,324.99
Hungary.....	226,056	8,010,017.87	.....	745,338.43
Italy.....	488,564	21,292,938.57	2,308,418.96	.....
Japan.....	126,896	4,636,994.01	200,981.27	.....
Liberia.....	47	2,617.11	1,037.93	.....
Luxemburg.....	1,477	43,605.42	3,999.56	.....
Mexico.....	60,663	1,636,109.68	240,848.79	.....
Netherlands.....	22,031	280,338.28	50,538.06	.....
New South Wales.....	2,982	75,105.48	5,821.34	.....
New Zealand.....	1,879	45,713.73	.....	6,491.74
Norway.....	122,590	3,021,042.40	133,014.27	.....
Orange River Colony.....	129	2,609.99	1,270.24	.....
Peru.....	232	6,945.72	1,239.07	.....
Portugal.....	1,351	25,831.77	4,775.23	.....
Queensland.....	617	12,665.88	.....	1,595.49
Russia.....	376,844	7,898,483.94	667,630.25	.....
Salvador.....	20	193.98	18.17	.....
South Australia.....	247	6,156.35	205.05	.....
Sweden.....	176,390	4,014,270.28	111,858.83	.....
Switzerland.....	50,099	852,327.41	27,439.99	.....
Tasmania.....	282	5,033.14	1,064.48	.....
Transvaal.....	917	22,378.12	3,671.82	.....
Trinidad.....	830	12,433.02	473.03	.....
Victoria.....	1,936	42,318.75	1,522.16	.....
Total of orders exchanged on basis of certified lists.....	3,173,161	81,853,977.71	5,563,686.81	756,701.32
Grand total, 1908.....	3,653,986	89,324,354.84	6,234,624.31	800,696.13
Grand total, 1907.....	3,644,656	83,890,426.66	.....	.....
Increase.....	9,330	5,433,928.18	.....	.....

NO. 11.—STATEMENT SHOWING THE NUMBER AND VALUE OF ORDERS ISSUED IN FOREIGN COUNTRIES AND PAID IN THE UNITED STATES DURING THE FISCAL YEAR ENDING JUNE 30, 1908.

Nationality.	Number of orders certified.	Value of orders certified.	Increase.	Decrease.
Antigua.....	449	\$5,143.61		\$19,601.77
Bahamas.....	1,340	13,025.41	\$8,176.63	
Barbados.....	1,310	28,089.87	1,246.77	
Bermuda.....	701	6,769.10	1,844.50	
British Guiana.....	2,146	10,030.48		3,193.50
British Honduras.....	3,041	30,291.52	20,436.44	
Canada.....	779,613	6,777,879.19	819,646.34	
Canal Zone.....	115,657	3,163,087.94	1,581,836.03	
Cuba.....	83,499	1,205,068.61	158,823.24	
Dominica.....	263	6,481.72		4,666.74
Grenada.....	625	8,171.30	293.17	
Jamaica.....	3,702	60,032.77	3,790.33	
Montserrat.....	67	2,405.11		1,099.97
Nevis.....	59	1,000.35		338.76
Newfoundland.....	4,502	49,579.36	1,755.57	
Philippines.....	46,477	1,298,576.71	36,308.19	
St. Kitts.....	105	1,494.37		2,989.60
St. Lucia.....	237	3,774.09	1,735.24	
St. Vincent.....	186	1,963.84		817.29
Virgin Islands.....	99	5,219.36	2,473.45	
Total of orders exchanged on the domestic basis.....	1,044,078	12,678,114.71	2,638,365.99	32,707.63
Austria.....	25,633	1,144,837.58	412,183.47	
Belgium.....	5,628	180,439.05	31,794.79	
Bolivia.....	188	1,661.00	661.50	
Cape Colony.....	3,232	28,764.16		5,943.51
Chile.....	1,386	9,380.80	210.64	
Costa Rica.....	1,076	14,147.35	3,583.62	
Denmark.....	5,637	155,429.43	41,609.24	
Egypt.....	2,022	39,624.73	3,009.54	
France.....	20,776	297,381.29	35,504.52	
Germany.....	76,320	1,910,324.94	300,506.55	
Great Britain.....	131,681	1,853,564.07	310,018.66	
Greece.....	566	14,395.96	11,627.24	
Honduras.....	162	1,529.42		569.76
Hongkong.....	712	5,273.40		242.69
Hungary.....	24,258	1,275,814.30	688,248.88	
Italy.....	22,364	922,263.96	355,694.52	
Japan.....	6,408	106,084.77		3,647.63
Liberia (no business).....				6,072.91
Luxemburg.....	239	20,283.09	1,890.52	
Mexico.....	59,667	779,750.70	107,295.96	
Netherlands.....	5,154	83,091.12	20,452.55	
New South Wales.....	4,146	41,734.50	81.68	
New Zealand.....	9,143	82,230.87		13,918.12
Norway.....	7,607	267,115.85	60,865.16	
Orange River Colony.....	596	4,598.73	515.80	
Peru.....	613	11,362.68	7,118.81	
Portugal.....	363	5,974.91	355.14	
Queensland.....	1,898	15,185.23	1,822.67	
Russia.....	14,055	509,021.99	170,761.87	
Salvador.....	222	928.45	109.11	
South Australia.....	1,261	10,616.96		573.93
Sweden.....	13,170	583,151.70	35,903.31	
Switzerland.....	8,110	184,301.43	51,205.79	
Tasmania.....	741	5,475.75		895.92
Transvaal.....	2,987	41,819.50		1,804.50
Trinidad.....	2,467	19,308.45		2,425.58
Victoria.....	3,396	33,592.58		8.95
Total of orders exchanged on basis of certified lists.....	463,884	10,670,460.70	2,653,031.54	36,103.50
Grand total, 1908.....	1,507,966	23,348,575.41	5,291,397.53	68,811.13
Grand total, 1907.....	1,332,744	18,125,989.01		
Increase.....	175,222	5,222,586.40		

NO. 12.—STATEMENT SHOWING THE VOLUME OF MAIL MATTER ORIGINATING IN THE UNITED STATES AND DISPATCHED TO FOREIGN COUNTRIES BY THE VARIOUS STEAMSHIP LINES, AND THE AMOUNT PAID FOR ITS CONVEYANCE, DURING THE FISCAL YEAR ENDING JUNE 30, 1908.

Steamship lines.	Letters.	Prints.	Amount paid.
	<i>Grams.</i>	<i>Grams.</i>	
Allan (to Newfoundland).....	160	70,505	89.47
Allen (to Pago Pago).....	11,423	22,367	10.96
American Mail (contract).....	2,153,800	25,754,795	105,666.66
American (from Philadelphia).....	480	337,440	32.94
Atlantic and Mexican Gulf.....	32,322		25.70
Australian Mail.....	4,980,961	110,826,538	14,710.59
Barber.....	1,066,505	23,842,420	3,136.81
Bluefields.....	547,035	12,541,097	1,668.73
Booth.....	1,950,600	25,921,985	4,103.08
Boston.....	1,141,767	13,409,531	4,468.28
Braslian.....	716,955	13,959,130	1,917.39
Boulton, Bliss and Dallett (contract).....	10,255,155	150,898,139	105,212.60
Camors McConnell.....	877,808	5,890,116	1,286.89
Canada Atlantic and Plant.....	885,196	6,731,409	741.88
Canadian Australian Royal Mail.....	7,098,356	133,982,847	
Canadian Pacific.....	12,687,059	149,530,786	
China Mutual Steam Navigation.....	13,010	66,469	16.46
Clyde.....	2,071,535	22,661,070	8,429.95
Compañía Trans-Atlántica Española.....	254,808	455,051	281.47
Compagnie Trans-Atlantique.....	452,709	923,136	
Cunard.....	143,411,237	355,568,190	148,472.08
Cunard (parcels post).....		5,147,242	406.71
Direct.....	625	4,875	1.07
Dominion Atlantic R. R.....	6,975,217	32,004,385	7,104.95
Davis and Company.....	3,176	9,072	3.94
Earn.....	21,245	297,585	45.12
Frank Waterhouse.....	6,807	7,283	5.96
General Trans-Atlantic.....	74,629,815	232,458,296	78,340.40
Great Northern.....	1,556,441	15,276,495	6,468.39
Hamburg American (Atlas Line).....	56,699,561	376,195,967	84,294.61
Herrera.....	302,108	917,732	381.41
H. I. M. S.....	78,464	93,884	
Howard Houlder, Rowat and Partners.....	195,965	4,209,025	559.70
Houston.....	370,025	6,438,030	906.93
Hubbard Zemurray.....	117,444	1,738,353	258.42
Insular Navigation.....	336,580	525,885	334.96
International Mercantile Marine (contract).....	163,487,094	960,136,123	737,016.00
Kemp.....	240	300	
Kosmos.....	11,644	30,528	11.93
Lamport and Holt.....	5,188,845	132,585,575	16,967.57
La Valce.....	3,562	8,418	
Lower California Development.....	309,658	4,231,673	
Manua Cooperating Company.....	3,543	4,932	3.21
Munson.....	714,169	6,737,623	1,240.64
New York and Cuba Mail:			
Contract.....	5,046,595	88,673,150	201,916.00
Noncontract.....	61,650	773,490	245.20
To Bahamas.....	814,675	9,240,853	1,558.72
New York and Demerara.....	262,805	3,073,230	515.10
Nippon Yusen Kabushiki Kaisha (\$13,629.91).....	9,243,144	81,344,785	16,431.03
North German Lloyd.....	222,873,833	924,401,888	272,836.12
Norton.....	516,010	9,373,015	1,310.65
Occidental and Oriental.....	4,366,993	48,917,665	8,375.57
Ocean.....	267,017	3,257,540	608.73
Oceanic (contract).....	173,642	2,777,800	37,982.00
Oriental.....	11,231,984	122,509,278	22,690.99
Orr Laubenheimer.....	51,703	4,082	42.72
Oteri.....	148,261	2,020,054	318.15
Pacific Coast.....	57,948	495,061	183.01
Pacific Mail:			
To Japan.....	14,579,300	164,980,916	60,977.36
To Panama.....	1,399,723	17,130,479	1,946.94
Panama Railroad Steamship Company.....	86,183,685	831,201,296	189,330.83
Peninsular and Occidental:			
To Cuba.....	1,551,618	2,992,474	
To Bahamas.....	537,005	2,843,480	688.96
Pacific Steam Navigation.....		26,576,044	2,854.09
Prince.....	1,258,355	35,850,860	4,438.78
Phillips Yzquierdo.....	75,713	145,021	73.86
Portland and Asiatic.....	3,371		2.60
Quebec.....	4,627,110	41,097,873	7,711.21
Red Cross.....	5,320	2,418,635	324.20
Red Star (International Mercantile Marine).....		2,946,735	412.62
Royal Dutch West India (\$665.24).....	703,530	8,111,120	1,334.66

* Paid in general account.

NO. 12.—STATEMENT SHOWING THE VOLUME OF MAIL MATTER ORIGINATING IN THE UNITED STATES AND DISPATCHED TO FOREIGN COUNTRIES, ETC.—Continued.

Steamship lines.	Letters.	Prints.	Amount paid.
	<i>Grams.</i>	<i>Grams.</i>	
Royal Mail Steam Packet.....	2,853,370	43,302,145	\$6,465.06
Ralburn Verel.....	2,722	13,153	3.90
Scandinavian American.....		11,378,165	1,245.49
Slomans United States and Brazil.....	161,145	1,593,650	306.29
Southern Pacific.....	278,640	1,472,883	875.37
Sociedad Anónima Navegación.....	49,068	55,871	44.35
Trinidad Shipping and Trading.....	1,377,475	18,382,170	2,896.65
United Fruit:			
From Baltimore.....	17,565	320,645	44.50
From Boston.....	380,325	6,434,035	931.93
From New York.....	42,040	580,070	88.43
From New Orleans.....	7,154,904	134,548,128	18,806.85
From Philadelphia.....	365,325	6,334,630	914.52
To British Honduras.....	1,009,023	11,420,981	1,924.28
United Tyser.....		1,310,365	126.44
Vacara Brothers.....	336,429	5,763,550	829.44
White Star.....	214,604,233	765,180,909	249,318.56
White Star (parcels post).....		15,859,878	1,530.48
Total.....	1,046,424,343	6,292,520,034	2,456,041.47
Increase.....	103,967,551	245,031,366	
Decrease.....			99,384.42

NO. 13.—STATEMENT SHOWING THE WEIGHTS OF CLOSED MAILS ORIGINATING IN FOREIGN COUNTRIES AND THE AMOUNTS ACCRUING TO STEAMSHIP COMPANIES FOR THEIR CONVEYANCE, DURING THE FISCAL YEAR ENDING JUNE 30, 1908.

Steamship lines.	Letters.	Prints.	Amounts paid.
	<i>Grams.</i>	<i>Grams.</i>	
American Mail (contract).....	445,335	4,727,698	
Australian Mail.....	1,133,863	14,042,304	\$2,190.80
Barber.....	34,555	465,185	71.57
Bluefields.....	18,826	1,041,910	115.08
Booth.....	27,158	693,160	91.18
Boston.....	154,000	3,287,288	436.11
Boulton, Bliss & Dallett (noncontract).....	963,809	23,652,732	192.03
Brazilian.....	2,440	194,045	20.61
Canadian Pacific.....	9,803	115,912	
Clyde.....	3,700	1,739,210	170.70
Cunard.....	38,021,300	108,803,529	40,393.64
Dominion Atlantic Railway.....	186,669	5,740,603	712.27
Great Northern.....	224,308	6,110,149	789.81
Hamburg-American.....	14,922,847	46,848,308	23,926.50
Hamburg-American (Atlas).....	1,484,580	61,105,845	
Houston.....	12,285	197,975	28.59
Howard Houlder and Partners.....	3,705	70,720	9.69
International Mercantile Marine.....	17,945,122	61,296,350	
Lampont and Holt.....	74,568	1,526,880	204.90
Nippon Yusen Kabushiki Kaisha (\$890.40).....	790,684	19,063,555	1,645.00
North German Lloyd.....	50,977,837	178,752,299	58,705.40
Norton.....	11,840	163,860	24.95
New York and Cuba Mail:			
Contract.....	803,186	19,145,795	
Noncontract.....	11,052	172,575	25.19
To Bahamas.....	425,035	5,985,803	928.23
Ocean.....	8,905	215,505	27.46
Oriental.....	876,107	13,858,404	1,063.23
Occidental and Oriental.....	586,074	6,009,387	1,071.78
Pacific Mail (Japan and China).....	1,167,729	18,369,935	2,732.90
Panama Railroad Steamship:			
To Colon.....	6,968,615	214,536,947	26,427.15
Colon to Panama.....	6,256,659	203,386,825	39,156.36
Peninsular and Occidental.....	82,853	1,418,851	200.88
Prince.....	20,710	428,360	57.33
Quebec.....	4,300	152,405	18.02
Royal Mail Steam Packet.....	923,646	11,497,307	1,855.85
Royal Dutch.....	80,467	3,724,710	423.26
Do.....		81,215	7.84
Southern Pacific.....	3,930	133,253	16.36
Trinidad Shipping and Trading.....		44,445	4.29

* Paid in general account.

NO. 13.—STATEMENT SHOWING THE WEIGHTS OF CLOSED MAILS ORIGINATING IN FOREIGN COUNTRIES AND THE AMOUNTS ACCRUING TO STEAMSHIP COMPANIES FOR THEIR CONVEYANCE, DURING THE FISCAL YEAR ENDING JUNE 30, 1908—Continued.

Steamship lines.	Letters.	Prints.	Amounts paid.
United Fruit:	<i>Grams.</i>	<i>Grams.</i>	
From New Orleans.....	5,529,091	73,912,605	\$11,661.82
From Philadelphia.....	3,550	475,430	48.93
To British Honduras.....	685,289	5,777,528	.....
Other than British*.....	58,105	1,829,696	225.35
White Star.....	66,460,220	227,131,934	76,425.81
Total.....	218,404,447	1,347,838,402	292,106.87
Increase.....	39,023,675	205,410,129	31,850.29

* Paid in general account.

Respectfully,

M. O. CHANCE,
Auditor.

The POSTMASTER-GENERAL.

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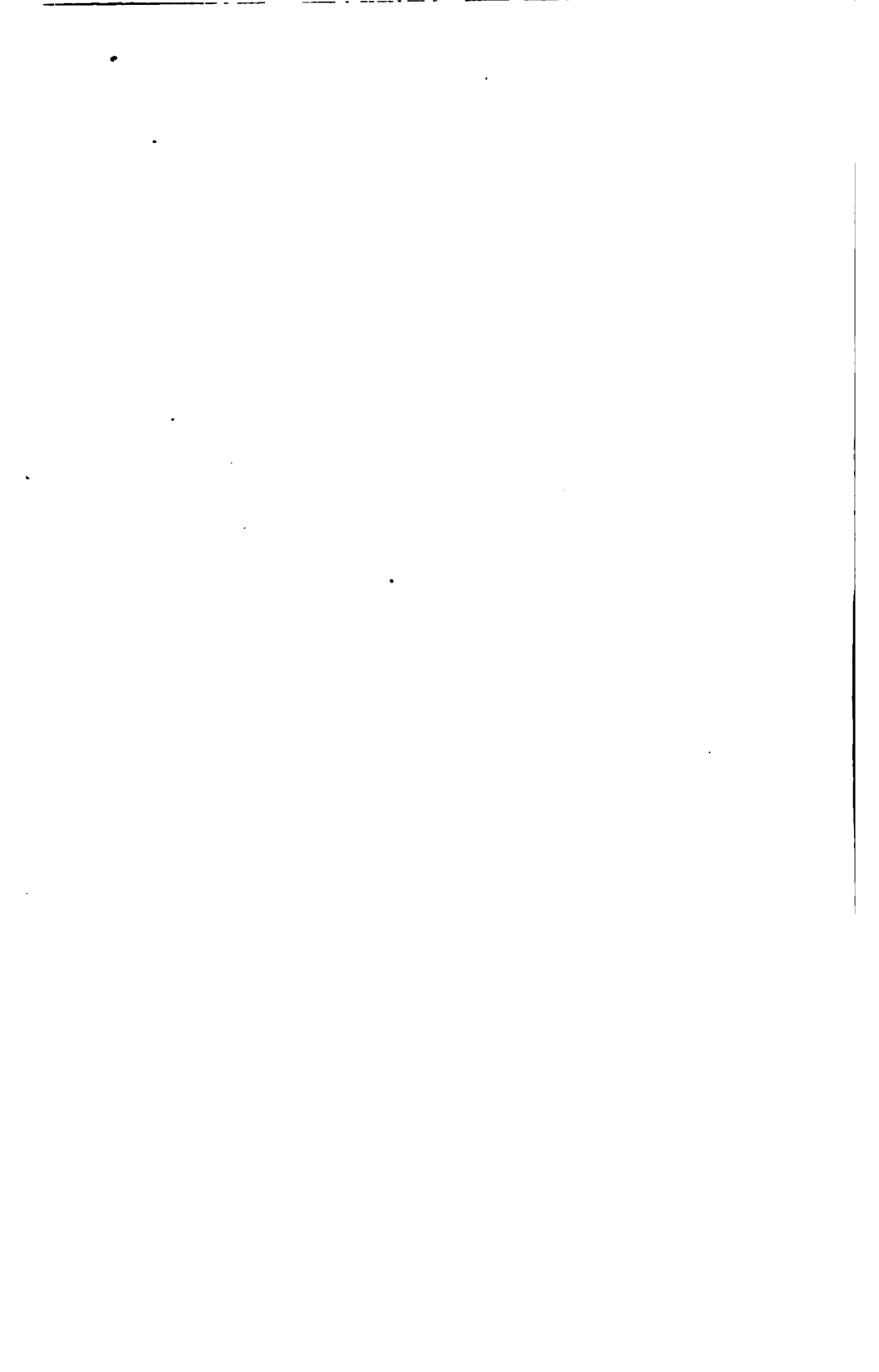
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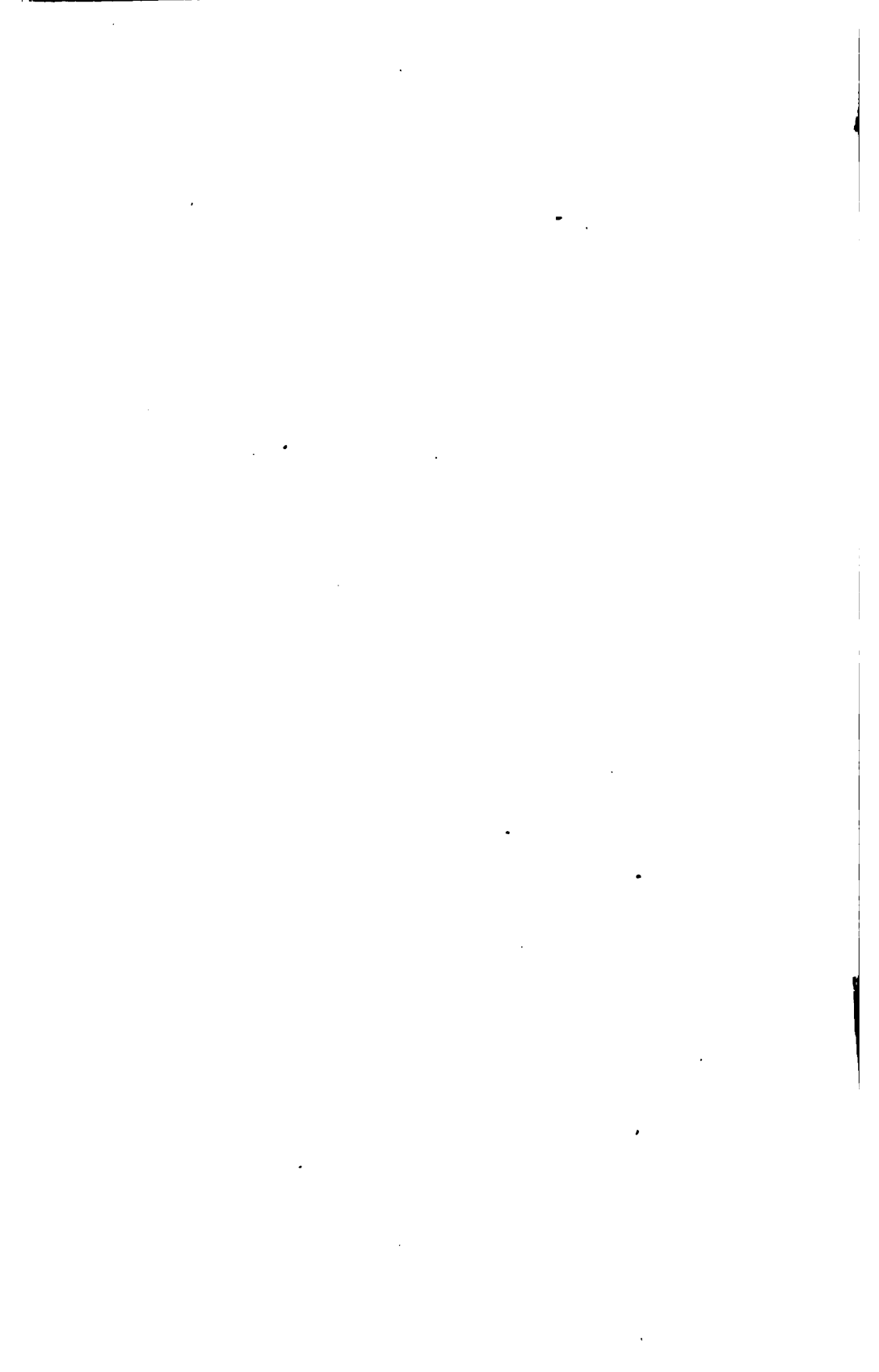
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